Shaping the future

Evolve   Nurture   Sustain

SUSTAINABILITY 2.0
Building Back Better

ITC
Enduring Value

SUSTAINABILITY REPORT **2024**

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Chairman's Message

Sanjiv Puri
Chairman & Managing Director

It is with pleasure that I present ITC's 21st Sustainability Report, which marks our continued commitment and aspirations as we move beyond a journey of two decades of reporting. As in previous years, this Report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards. It is externally verified by Messrs. KPMG Assurance and Consulting Services LLP at the 'Reasonable Assurance' level of International Standard for Assurance Engagements (ISAE) 3000.

The theme 'Shaping the Future,' which captures the essence of our endeavours, is even more apt given the unprecedented challenges, uncertainties, and megatrends the world faces today. The escalating climate threats, food security, natural resource depletion, reglobalisation, energy transition, supply chain diversification, digital acceleration, and demographic changes, amongst others, are today redefining lives and landscapes, even as they open new opportunities for the future.

Never before has the threat of climate change been more daunting. Extreme weather events pose a global climate emergency that calls for colossal efforts from nations, corporates, and citizens alike. According to the World Economic Forum's Global Risks Report 2024, climate change and nature loss are two of the greatest risks for the next 10 years. It is well known that the world is rapidly exhausting its "carbon budget," and we are left with only a few years to limit global warming to 1.5 degrees Celsius before we reach a catastrophic eventuality. Already, the global average temperature between May 2023 and April 2024 has been 1.6 degrees

Celsius above pre-industrial levels. Floods, droughts, and forest fires have continued to grab headlines across the globe. India is expected to be among the worst-affected countries by the climate crisis. By 2050, our country will be among the first places where temperatures will cross survivability limits. Agriculture and food systems are getting impacted by extreme stress on water availability, threatening livelihoods. The crescendo for Net Zero is therefore not surprising, although the pathways will be immensely challenging for the world to navigate. In addition, inequality in global societies continues to be a systemic risk, threatening social ecosystems. Therefore, it will also be imperative to keep in mind the varied needs of different stakeholders to enable a just transition.

ITC's Sustainability Vision and Strategy

For over a quarter of a century, ITC has pursued a path to lead as an exemplar in sustainability. Indeed, ITC's credo of 'Responsible Competitiveness' has inspired and spurred us to build extreme competitiveness even as we augmented environmental resources and took proactive climate action together with meaningful support to livelihood generation at scale. Our large-scale sustainability programmes focus on addressing climate change, replenishing natural resources, ensuring water security, promoting circularity, developing a resilient supply chain, driving product sustainability and brands with purpose, and strengthening livelihoods.

At ITC, we have walked a path to demonstrate that what is good for the planet and people is

also good for business. While climate change poses an existential threat to society, it also builds the competitiveness of businesses and unlocks new opportunities. At ITC, sustainability is integral to the business strategy, which is reflected in the Company's superior triple bottom line performance, which cascades down to all levels of the organisation. When sustainability is embedded in corporate strategy, it catalyses innovation and unique business models that create impactful economic, social, and environmental capital.

It is for this reason that ITC has embarked on large-scale initiatives that collectively shape a better tomorrow through a purposeful journey to future-proof our businesses, catchments, and communities.

Climate Action

Climate action across the world has seen significant efforts being made towards decarbonisation. While mitigation is undoubtedly necessary, it is also increasingly clear that we will breach the 1.5° C threshold and live in a hot new world, reinforcing the urgent need to scale up measures for adaptation.

ITC's climate action plan focuses both on decarbonisation and adaptation. Adopting a low-carbon growth path, we have implemented decarbonisation initiatives across our operations and supply chains. This includes, amongst others, increasing the share of renewable energy, reducing specific energy, adopting circular economy models, constructing green buildings, and

> 66
> **It is a matter of great pride that ITC has, this year, achieved its goal of meeting 50% of the energy requirement from renewable sources well ahead of the target year of 2030, despite its growing manufacturing footprint.**
> 99

introducing electric vehicles for last-mile delivery of FMCG products. For example, recognising that LEED Platinum®-certified green buildings are 30% more energy efficient and emit 20% less GHG, we have built 40 Platinum-rated green buildings. In our quest to raise the bar even higher, 12 of our hotels have become the first in the world to receive LEED® Zero Carbon certification, while 4 are LEED® Zero Water certified. ITC Hotels and Welcomhotels have achieved, much ahead of time, the 2030 carbon emission targets envisaged in the COP21 Paris Agreement. Even in an environmentally challenging manufacturing business like paperboards, ITC has stayed ahead of the curve with significant investments in a High-Efficiency Recovery Boiler in Bhadrachalam that reduces over 1,50,000 tonnes of coal per year, expanding our renewable energy footprint.

As ITC's operations, including factories, warehouses, and hotels, are spread across the country and depend on agri- and forestry-based value chains for sourcing raw materials, accelerating action to adapt to the impacts of climate change is imperative. To secure ITC's operational footprint from extreme weather events, ITC has carried out a climate

risk modelling exercise using advanced AI at a pan-organisational level, which enables us to identify and prioritise vulnerable sites. This is followed by site-specific assessments to sharp target adaptation actions. Comprehensive climate risk assessments have been undertaken for key agri-value chains, and mitigation actions are being taken accordingly. These studies will help further refine the research and crop development strategies and strengthen our adaptation measures.

ITC is working proactively with its supply chain partners to build their capacity for identifying and mitigating the impact of climate change.

> 66
> **ITC's Climate Smart Agriculture programme has benefitted 10.5 lakh farmers across nearly 2.79 million acres, and we aim to increase it to 4 million acres by 2030.**
> 99

Recognising that agriculture is the most vulnerable to climate change, we have also spearheaded nature-based solutions in our agri-value chains to build climate resilience. Our large-scale Climate Smart Agriculture programme strives to mitigate the risks arising out of climate change and build resilience among farmers and de-risks farmers in our value chains from erratic weather through a package of agronomy practices, the introduction of high-yielding and climate-resilient varieties, as well as appropriate mechanisation. As per a recent third-party study, small and marginal farmers who adopted the climate-smart practice of direct seeding of rice promoted by ITC experienced an increase in

income of up to 36% compared to traditional methods. ITCMAARS, the 'phygital' ecosystem pivoted on FPOs, also enables farmers to adopt the recommended practices to combat the threat of climate change.

Water scarcity is today a colossal challenge, with 54% of India being water stressed. To replenish and conserve water resources, we have implemented a large-scale Water Stewardship Programme. We follow a three-pronged approach that focuses on enhancing supply through rainwater harvesting, reducing water use in agriculture, and maximising efficiency in our operations. We are also making dedicated efforts to revive river basins with negative water balances. The success achieved in making the Ghod River basin water positive in 5 years has emboldened us to implement four more such river regeneration projects. It gives me immense satisfaction that our endeavours have won global recognition, with seven units having received Alliance for Water Stewardship (AWS) Platinum certification, the highest acknowledgment in the world for water stewardship. Indeed, in India, all Platinum-certified AWS sites belong to ITC.

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> **Water-efficient agri-practices promoted by ITC have been adopted by farmers on over 1.5 million acres, while ITC's Watershed Development programme has covered over 1.6 million acres.**
> 99

In addition, we have implemented a Biodiversity Conservation programme in our catchments, which focuses on reviving ecosystem services provided to agriculture and restoring degraded plots whilst also supporting livelihoods. Given the potential of mangroves for higher carbon sequestration and their ability to act as flood barriers, we are piloting a programme for mangrove conservation in Andhra Pradesh.

Our extensive Afforestation Programme has created a green cover of over 1.1 million acres, supporting over 212 million person-days of employment for farmers while creating a sustainable and competitive fibre chain for ITC as well as providing high-quality raw material for ITC's notebooks.

Circularity and Product Sustainability

Across the globe and in India, the problem of waste management has become acute. ITC has successfully implemented multiple large-scale models of solid waste management, including plastic waste, across the country. These models, based on principles of circular economy, are scalable, replicable, and sustainable, and they have enabled ITC to sustain its plastic-neutral status since FY 2021-22.

In addition, ITC's Paperboards and Specialty Papers, and Packaging Businesses have been developing sustainable packaging solutions on laminated and moulded fibre platforms like recyclable paperboards, 'FiloPack', and 'FiloServe'. We have recently commissioned a state-of-the-art manufacturing facility in Madhya Pradesh that will specialise in moulded fibre products made from renewable natural fibres and

Approach to Sustainability 2.0

Environmental Stewardship

Social Stewardship - Sustainable & Inclusive Growth

Annexures

offer sustainable packaging solutions across industries. Our FMCG businesses have also been leading the way in incorporating recycled materials in their packaging.

Pursuit of Purpose

Leveraging the market equity of our world-class brands to influence positive social change, several of our brands lead purposeful initiatives in areas that can make a meaningful difference. 'Mangaldeep' has empaneled visually impaired persons as fragrance testers, fostering a life of dignity and hope. 'Fiama' espouses the cause of addressing mental health issues. 'Vivel' champions women's empowerment. Savlon Swasth India Mission focusses on health and hygiene, while YiPPee! has implemented innovative programmes that promote plastic waste recycling.

Contribution to Inclusive Development

Fostering inclusive growth and promoting the well-being of local communities, we have designed large-scale programmes that support the livelihoods of millions of farmers and households in India.

ITC's Social Investments Programme, Mission Sunehra Kal, has adopted a two-horizon approach for sustainable livelihood generation, focussing on the holistic development of households and keeping women and

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Our women-focused initiatives have reached over 6 million women.

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other vulnerable sections of society at the core. Horizon I focusses on strengthening the dominant sources of livelihoods in agri-communities by promoting climate-smart agriculture, providing access to critical natural resources like water, and helping households diversify into off-farm and other on-farm activities. Horizon II aims at building capabilities for the future through programmes for women's empowerment, support for education, and public health, including maternal and child health, skilling, etc. Today, it gives us immense pleasure that our businesses and inclusive value chains support over 6 million livelihoods, and we aim to increase this to 10 million by 2030. Our initiatives are aligned with National Priorities like Doubling Farmer Incomes, Jal Shakti Abhiyan, Swatch Bharat 2.0, Poshan 2.0, and UN SDGs. Public-Private Partnerships and empowered community grassroots institutions have been the fulcrum of amplifying and scaling up our social investment programmes. ITC's multi-dimensional environment and social interventions, which have been scaled up over the years, contribute favourably to all 17 UN SDGs.

ITC's Foods Business also works towards contributing to national nutritional and health priorities through its 'Help India Eat Better' nutrition strategy. As part of its "Nutrition for Nation" agenda, the Foods Business has developed a 4-pillar model that includes creating value-added products, promoting a sustainable food ecosystem, developing healthy communities, and generating consumer and employee awareness. I am happy to highlight that ITC has topped the overall rankings by the Access to Nutrition Initiative (ATNI) among the top 20 Indian Food & Beverages companies.

We continue to pursue our Diversity and Inclusion goals, and it remains a high-priority area for us as an organisation. Gender representation is being enhanced across all our businesses, operations, and community interventions. It is heartening that our recent ICMLs employ most women, ranging between 50 and 75% of the total workforce.

Recognition

We continue to receive global acknowledgment for our sustainability performance. The Company entered into the prestigious 'A' League for 'CDP Water' and retained the 'A-Leadership' in 'CDP Climate' for the third consecutive year. We have sustained our 'AA' rating by MSCI-ESG for 5 years now and are featured in the Dow Jones Sustainability Emerging Markets Index for the 4th year in a row. It is indeed satisfying that we have been able to achieve some of our Sustainability 2.0 targets ahead of time, driven by impactful policies and purposeful action. I am happy to share that we have leveraged the "Double Materiality" framework in this Report to identify issues that are financially material for the Company and also impact society and the environment. The analysis indicates that high-priority issues are being addressed substantively and will also enable us to further refine our sustainability strategies.

The Next Horizon

ITC's journey of Responsible Competitiveness over the past quarter of a century has indeed been fulfilling. We progress into the future, driven by our bold Sustainability 2.0 agenda, as we continue to navigate challenges and leverage emerging opportunities. Living by our credo of 'Nation First: Sab Saath Badhein', we are focused on redoubling our efforts in climate action and livelihood generation to

make a meaningful contribution to transitioning to a net-zero economy and anchoring inclusive development. We are progressively scaling up interventions to encourage best-in-class sustainability practices along our value chains. In addition to promoting sustainable consumption, we are also augmenting our offerings of sustainable products and services and building purpose-led brands. Most importantly, we are investing in and leveraging advancements in technology and digital to enhance agility, accelerate innovation, and drive impactful outcomes across our value chains.

We remain steadfast in our resolve to build a competitive, innovative, climate-positive, and inclusive enterprise that inspires trust amongst stakeholders. I will look forward to your continued support as we collectively strive towards shaping a brighter future for generations to come.

Sanjiv Puri
Chairman & Managing Director,
ITC Limited

About this report

Reporting Framework

ITC has been reporting its sustainability performance annually, and the Sustainability Report 2024 covers the sustainability performance for the period

April 1, 2023 to March 31, 2024.

ITC's Sustainability Report 2024 has been prepared following the Global Reporting Initiative (GRI) Standards 2021. Reporting on sustainability topics continues to be based on materiality. The Reporting Principles, Universal Standards, and Topic Standards detailed in the GRI Standards have been considered while preparing the Report. In addition, the Report continues to be aligned with the requirements of the Integrated Reporting Framework.

The Report contains disclosures pertaining to Task Force on Climate-related Financial Disclosures (TCFD) recommendations as well.

ITC also discloses its climate change and water security-related approach and performance through CDP, a global non-profit that runs the world's leading environmental disclosure platform.

Independent Audit and Assurance

The financial data included in the Report is excerpted from the Company's Report & Accounts for 2024, audited by independent External Auditors – Messrs. S R B C & Co. LLP.

ITC has obtained independent third-party assurance for its Sustainability Reports since it started reporting in 2004. In the reporting year, the authenticity of the data and systems disclosed in the Sustainability Report 2024 has been assured by Messrs. KPMG Assurance and Consulting Services LLP, an independent third-party assurance provider. They have provided the assurance as per the International Standard for Assurance Engagements (ISAE) 3000 at a 'Reasonable Assurance' level. The assurance statement of Messrs. KPMG Assurance and Consulting Services LLP is included in the Report and covers the summary of the work performed, how the assurance engagement has been conducted, the extent to which ITC has applied GRI Standards, and their conclusions on the Report.

ITC has computed its greenhouse gas (GHG) inventory, including GHG emissions, biogenic emissions, and GHG removals, in accordance with ISO 14064:2018. The GHG inventory for FY 2023-24 has been verified by Messrs. KPMG Assurance and Consulting Services LLP at the 'Reasonable Assurance' level. ITC accounts for the following gases in its GHG inventory: Carbon Dioxide (CO_2), Methane (CH_4), Nitrous Oxide (N_2O), Hydrofluorocarbons (HFCs), Perfluorocarbons (PFCs), and Sulphur Hexafluoride (SF_6).

Contact Point

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Reporting Boundary

ITC has deployed an Integrated Sustainability Data Management System to collect, collate and analyse environmental and social data. The system is equipped with strong internal controls to support the underlying integrity and credibility of disclosures made in the Report.

The data related to environment and social performance unless otherwise specified in the respective sections is based on the actual performance of various businesses of the Company (including units, hotels, and office complexes), Subsidiaries, Associate Companies, and Third-Party Manufacturers (TPMs) included in the reporting boundary.

For the current reporting period, the reporting boundary has been further expanded to incorporate the performance of the newly commissioned Integrated Consumer Goods Manufacturing and Logistics (ICML) facility at Khorda, Odisha.

In line with ITC's Policy on Sustainable Supply Chain and Responsible Sourcing, the Company continues its efforts to encourage best-in-class sustainability practices along the value chain. In the current year, ITC continues to incorporate the performance of four TPMs of the Cigarette Business, eight TPMs of the Notebooks segment of the Education and Stationery Products Business, and two Associate Companies. ITC intends to progressively include more supply chain members in the reporting boundary and will continue to build the capacity of its key supply chain partners and regularly review their sustainability performance.

CSR programmes: ITC's CSR footprint is spread across 28 States / 7 Union Territories

ITC Registered Office: Kolkata (West Bengal)

ITC's Businesses

FMCG Cigarettes

India Tobacco Division (ITD)
Divisional Headquarters: Kolkata *(West Bengal)*
Units: Kolkata *(West Bengal)*, Bengaluru *(Karnataka)*, Munger *(Bihar)*, Saharanpur *(Uttar Pradesh)* and Pune *(Maharashtra)*
Third-Party Manufacturers (TPMs): Four nos.

FMCG-Others

Branded Packaged Foods Businesses
Divisional Headquarters: Bengaluru *(Karnataka)*
Units: Haridwar *(Uttarakhand)*, Pune *(Maharashtra)*, Munger *(Bihar)*, Panchla, Uluberia and Sankrail$ *(West Bengal)*, Khorda *(Odisha)*, Guwahati *(Assam)*, Kapurthala *(Punjab)*, Pudukkottai *(Tamil Nadu)*, Malur & Mysuru *(Karnataka)*, Medak *(Telangana)*, Bikaner$, Reengus$ & Jaitpura$ *(Rajasthan)* and Agra$ *(Uttar Pradesh)*

$ For these factories, data related to materials, energy, and social indicators have been included in the Report. Other parameters will be included in subsequent years.

Personal Care Products Business Division (PCPBD)
Divisional Headquarters: Kolkata *(West Bengal)*
Units: Haridwar *(Uttarakhand)*, Manpura *(Himachal Pradesh)* and Guwahati *(Assam)*

Education and Stationery Products Business (ESPB)
Headquarters: Chennai *(Tamil Nadu)*
Third Party Manufacturers (TPMs) of Notebooks: 8 nos.

Incense Sticks (Agarbattis) and Safety Matches
Headquarters: Chennai *(Tamil Nadu)*

Agri-Business Division (ABD)
Divisional Headquarters: Guntur *(Andhra Pradesh)*
Units: Anaparti *(Andhra Pradesh)*, Chirala *(Andhra Pradesh)*, Mysuru *(Karnataka)* and Research Centre, Rajahmundry *(Andhra Pradesh)*, Spices Factory *(Guntur, Andhra Pradesh)*

Paperboards and Specialty Papers Division (PSPD)
Divisional Headquarters: Secunderabad *(Telangana)*
Units: Tribeni *(West Bengal)*, Bhadrachalam *(Telangana)*, Bollaram *(Telangana)* and Kovai *(Tamil Nadu)*

Packaging and Printing Business (PPB)
Headquarters: Chennai *(Tamil Nadu)*
Units: Haridwar *(Uttarakhand)*, Munger *(Bihar)*, Nadiad *(Gujarat)* and Tiruvottiyur *(Tamil Nadu)*

Others
Trade Marketing and Distribution (TM&D)
TM&D Headquarters: Kolkata *(West Bengal)*
District Offices: Kolkata *(West Bengal)*, Mumbai *(Maharashtra)*
Owned Warehouses: Ambernath *(Maharashtra)*, Hyderabad *(Telangana)*, Malur *(Karnataka)*, Chennai *(Tamil Nadu)*, AMLF Pudukkottai *(Tamil Nadu)* and AMLF Kapurthala *(Punjab)*

ITC Life Sciences & Technology Centre, Bengaluru (Karnataka)

Central Projects Organisation, Bengaluru (Karnataka)

Subsidiaries

ITC Infotech India Limited
Units: Bengaluru *(Karnataka)*, Kolkata *(West Bengal)* and Pune *(Maharashtra)*

Technico Agri-Sciences Limited
Units: Chandigarh and Manpura *(Himachal Pradesh)*

Srinivasa Resorts Limited
Hotel: ITC Kakatiya, Hyderabad *(Telangana)*

Bay Islands Hotels Limited
Hotel: Welcomhotel Bay Island in Port Blair

Landbase India Limited
Classic Golf & Country Club, Gurugram *(Haryana)*

North East Nutrients Private Limited
Unit: Mangaldoi *(Assam)*

Surya Nepal Ventures Private Limited
Units: Simara and Seratar *(Nepal)*

Hotels Division
Divisional Headquarters: ITC Green Centre, Gurugram *(Haryana)*
Hotels: ITC Maurya *(New Delhi)*, ITC Maratha and ITC Grand Central *(Mumbai)*, ITC Sonar and ITC Royal Bengal *(Kolkata)*, ITC Mughal *(Agra)*, ITC Grand Bharat *(Gurugram)*, ITC Windsor and ITC Gardenia *(Bengaluru)*, ITC Rajputana *(Jaipur)*, ITC Grand Chola *(Chennai)*, ITC Grand Goa Resort and Spa *(Goa)*, ITC Kohenur *(Hyderabad)*, ITC Narmada *(Ahmedabad)*, Sheraton New Delhi *(New Delhi)*, Welcomhotel Bengaluru, Welcomhotel Chennai, Welcomhotel Coimbatore, Welcomhotel Amritsar, Welcomhotel Bhubaneswar, Welcomhotel Guntur

Associates
ATC Limited
Unit: Hosur *(Tamil Nadu)*

Gujarat Hotels Limited
Hotel: Welcomhotel Vadodara *(Gujarat)*

Reporting Scope Exclusions**

The following subsidiaries included in ITC's Consolidated Financial Statements are not included in the Sustainability Report 2024.

Names of Joint Ventures	% of Shares Held by Listed Entity*
ITC Infotech Limited	100.00
ITC Infotech (USA), Inc.	100.00
Indivate Inc.	100.00
ITC Infotech Do Brasil LTDA	100.00
ITC Infotech Malaysia Sdn. Bhd	100.00
ITC Infotech France SAS	100.00
ITC Infotech GmbH	100.00
ITC Infotech de Mexico, S.A. de C.V.	100.00
ITC Infotech Arabia Limited	100.00
Technico Pty Limited	100.00
Technico Technologies Inc.	100.00
Technico Asia Holdings Pty Limited	100.00
Technico Horticultural (Kunming) Co. Limited	100.00
Fortune Park Hotels Limited	100.00
Welcomhotels Lanka (Private) Limited	100.00
Russell Credit Limited	100.00
Greenacre Holdings Limited	100.00
Wimco Limited	100.00
Gold Flake Corporation Limited	100.00
ITC Integrated Business Services Limited	100.00
MRR Trading & Investment Company Limited	100.00
Prag Agro Farm Limited	100.00
Pavan Poplar Limited	100.00
ITC IndiVision Limited	100.00
ITC Fibre Innovations Limited	100.00
ITC Hotels Limited	100.00

The following jointly controlled entities (incorporated Joint Ventures) included in ITC's Consolidated Financial Statements are not included in the Sustainability Report 2024:

Names of Joint Ventures	% of Shares Held by Listed Entity*
Logix Developers Private Limited	27.9
ITC Filtrona Limited (formerly known as ITC Essentra Limited)	50.0
Maharaja Heritage Resorts Limited	50.0

The following Group's Associates included in ITC's Consolidated Financial Statements are not included in the Sustainability Report 2024:

Names of Associates	% of Shares Held by Listed Entity*
International Travel House Limited	48.96
Russell Investments Limited	25.43
Divya Management Limited	33.33
Antrang Finance Limited	33.33
Delectable Technologies Private Limited	39.32#
Mother Sparsh Baby Care Private Limited	26.50#
Sproutlife Foods Private Limited	44.74#

italic: **ITC developed the process of defining the system for inclusion / exclusion of these entities in the Sustainability Reporting boundary. Going forward, the performance of these entities against identified material topics will be reported in a progressive manner.*

held directly or through subsidiary companies.
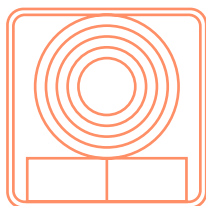
#*on a fully diluted basis.*

Note: Refer Note 29(iii) of Consolidated Financial Statements forming part of Report and Accounts 2024, for further details on subsidiaries, associates, and joint ventures.

About ITC

ITC is one of India's foremost private sector companies with a diversified presence in FMCG, Hotels, Packaging, Paperboards & Specialty Papers, Agri-Business, and Information Technology.

Driven by the 'Nation First: Sab Saath Badhein' philosophy and the abiding strategy of 'Responsible Competitiveness', ITC has brought about transformational change in society by pursuing innovative business models that synergise the creation of shareholder value with social and natural capital. This strategy has not only contributed to building strong businesses of the future as well as a portfolio of winning world-class brands but also to making ITC a global exemplar in 'Triple Bottom Line' performance.

Fast Moving Consumer Goods

With over 25 mother brands, ITC's FMCG businesses are present in:
→ **Branded Packaged Foods**
→ **Education and Stationery Products**
→ **Personal Care Products**
→ **Incense Sticks and Safety Matches**

Agri Business

→ A pioneer in rural transformation, ITC is **one of India's largest exporters of agri-commodities.**
→ The scale of operations encompasses over **~3 million tonnes of annual volume throughput** in 22 States and over 20 agri-value chains.
→ The Business aims to scale up its value-added portfolio across categories like **organic, food safe, attribute specific, as well as medicinal and aromatic plants.**
→ ITC's e-Choupal initiative **empowers over 4 million farmers.**
→ **ITCMAARS** (Metamarket for Advanced Agriculture and Rural Services) – a crop-agnostic 'phygital' full stack AgriTech platform will bring the power of digital technologies to farmers.
→ The Business is powering **NextGen Agriculture** through value addition, digital adoption, and climate-smart agriculture.

Paperboards and Packaging

→ ITC's Paperboards and Specialty Papers Business is a **leader in the Value-Added Paperboards** (VAP) segment.
→ The Business is also a **leading player in the eco-labelled products** segment as well as the **premium recycled paperboards space**.
→ ITC's Packaging and Printing Business is a **leading provider of superior value-added packaging solutions** leveraging its comprehensive capability-set spanning multiple technology platforms coupled with in-house cylinder-making and blown film manufacturing lines.

Hotels

→ ITC's Hotels Business is a trailblazer in **'Responsible Luxury'.**
→ It is one of the **world's pre-eminent and fastest-growing hospitality chains** with over 130 properties and 12,000 rooms under distinguished and distinctive brands:
  – **'ITC Hotels'** in the Luxury segment
  – **'Mementos'** in the Luxury Lifestyle segment
  – **'Storii'** in the Boutique Premium segment
  – **'Welcomhotel'** in the Premium segment
  – **'Fortune'** in the Mid-market to Upscale segment
  – **'WelcomHeritage'** in the Leisure & Heritage segment.

Information Technology

→ ITC Infotech is a **wholly owned subsidiary of ITC.**
→ It is a **leading global technology services and solutions provider** with presence in 43 countries and 60+ Fortune 500 Clients.
→ The **'Orbit Next'** strategy is powering its next horizon of growth and differentiation.
→ It is a partner of choice for customers in their **Digital Transformation and Software as a Service (SaaS)** adoption journey

A Bouquet of Leading FMCG Brands

(Source: Nielsen / Kantar Household Panel)

#1 in
Branded Atta

Atta, Salt & Spices

#1 in
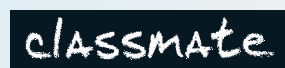## Cream Biscuits

Biscuits & Cakes

#1 in
Bridges segment

Bridges, Potato chips & Namkeens

#2 in
Noodles

Noodles & Pasta

#1 in
Notebooks

Educational & Stationery products

#1 in
Dhoop
#2 in
Agarbattis

Matches, Dhoop & Agarbatti

#2 in
Bodywash

Body Wash

Gross Revenue	₹69,446.20 crores	
Profit After Tax	₹20,421.97 crores	
Future Ready Businesses	12 *(across 5 segments)*	
Full Time Employees	40,409	

ITC's Sustainability Journey

ITC has traversed an incredible journey of transformation over the past quarter of a century, achieving several defining milestones in its endeavour to create enduring value for the nation and its stakeholders. Some of the milestones that have made ITC not only one of India's foremost private sector enterprises but also a global exemplar in sustainability, are presented here.

2003
- ITC turns water positive
- ITC Foods launches Sunfeast
- ITC launches Classmate notebooks
- ITC forays into Agarbattis segment
- ITC brings out Environment, Health and Safety Report

2004
- ITC releases 1st Sustainability Report as per GRI guidelines
- ITC e-Choupal wins inaugural UNDP World Business Award
- ITC Green Centre, Gurgaon is the world's largest green building to win LEED Platinum® Rating

- ITC e-Choupal becomes a Case Study at Harvard Business School
- ITC Hotels Limited merges with ITC
- ITC launches 'Let's Put India First' campaign
- ITC acquires paperboards mill at Kovai
- ITC inaugurates 1st Choupal Saagar

2005
- Sunfeast breaks Guinness World Record for simultaneous tree plantation
- ITC enters Personal Care with the launch of Essenza Di Wills
- ITC pioneers ECF packaging for the Foods and Pharma sectors
- ITC Grand Central opens in Mumbai

2008
- ITC wins top UNIDO Award for e-Choupal
- ITC turns solid waste recycling positive
- ITC launches 'Wealth out of Waste' initiative
- ITC ranks 2nd in S&P ESG India Index
- ITC forays into wind energy in Packaging and Printing Business

- ITC launches eco-friendly Paperkraft Premium Business Paper
- ITC launches Personal Care brand, Vivel
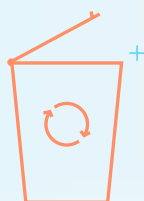
2007
- ITC becomes first in India to publish Sustainability Report as per GRI G3 guidelines
- ITC Sonar is 1st hotel in the world to win carbon credits for energy efficiency
- ITC launches Personal Care brand, Fiama

2006
- ITC sets up CII-ITC Centre of Excellence for Sustainable Development
- ITC turns carbon positive

Approach to Sustainability 2.0

Environmental Stewardship

Social Stewardship - Sustainable & Inclusive Growth

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2009
→ ITC is the first Indian company to gain WWF GFTN membership for responsible forestry
→ ITC's market capitalisation touches ₹100,000 crores
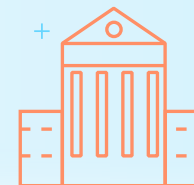→ ITC Gardenia opens in Bengaluru

2010
→ ITC completes momentous milestone of 100 glorious years
→ ITC's afforestation initiative crosses 250,000 acres
→ BCG ranks ITC as the world's 6th largest sustainable value creator
→ ITC's Bhadrachalam Facility gets FSC® Certification

ITC Gardenia becomes the world's largest LEED Platinum® rated Green Hotel
→ ITC Hotels adopts the credo of Responsible Luxury
→ ITC Foods launches Sunfeast YiPPee!

2011
→ ITC Hotels becomes the greenest luxury hotel chain in the world

2015
→ ITC acquires Savlon and Shower to Shower
→ ITC Grand Bharat opens in Gurugram

2014
→ ITC announces Board approved sustainability policies
→ ITC's Sustainability Report among the first in India to follow GRI G4 guidelines
→ ITC Grand Chola secures 5 Star GRIHA rating, the highest national rating for green buildings
→ ITC Hotels forays into hospitality in Colombo
→ ITC acquires juice brand, B Natural

2013
→ ITC adopts "CII Code of Conduct for Affirmative Action"
→ Iconic hotel ITC Grand Chola opens in Chennai

2012
→ HBR ranks then ITC Chairman YC Deveshwar as the 7th Best Performing CEO in the World
→ ITC conferred the World Business and Development Award by UNDP

2016
→ Over 47% of ITC's total energy requirements met from renewable sources
→ ITC Sankhya is the world's first LEED Platinum® certified data centre
→ ITC unveils 2 new factories in West Bengal

→ Bukhara recognised amongst 'best restaurants in the world'
→ ITC launches Sunbean Gourmet Coffee
→ ITC launches Climate Smart Agriculture programme

2017
→ ITC unveils Foods factory in Kapurthala
→ ITC forays into the fresh fruits and vegetables segment with the launch of the brand, Farmland
→ ITC contributes to India's Swachh Bharat campaign

→ ITC wins Porter Prize for Corporate Governance and Creating Shared Value
→ ITC's Paperboards Business commissions India's first Bleached Chemical Thermo Mechanical Pulp mill at Bhadrachalam

Approach to Sustainability 2.0

Environmental Stewardship

Social Stewardship - Sustainable & Inclusive Growth

Annexures

2020
→ ITC launches digital farmer training initiatives during COVID-19
→ ITC acquires Sunrise Foods
→ ITC launches D2C platform, ITC e-Store

2019
→ ITC ranks 1st globally amongst peers for ESG models by Sustainalytics
→ ITC's Paperboards factory in Kovai is the first factory in India to win AWS Platinum certification for water stewardship
→ ITC's Watershed Development Programme covers more than 1 million acres
→ ITC launches MLP Collection Programme in Pune
→ ITC Royal Bengal opens in Kolkata
→ ITC launches Aashirvaad Natures Superfoods
→ ITC launches the world's most expensive chocolate, Fabelle
→ ITC ranks 3rd globally in ESG performance in Food Products industry by Sustainalytics
→ ITC increases efficiency through accelerated Industry 4.0 adoption

2018
→ ITC receives an AA rating by MSCI
→ ITC commits to making 100% of product packaging reusable, recyclable or compostable
→ ITC collaborates with NITI Aayog for Aspirational Districts Programme
→ ITC ventures into frozen snacks with the launch of ITC MasterChef
→ ITC launches the premium skincare brand, Dermafique

→ ITC opens Pudukkottai factory
→ ITC acquires floor-cleaning brand, Nimyle
→ ITC's Savlon wins Grand Prix for 'Creative Effectiveness' at Cannes Lions
→ ITC sets up its Consumer Data Hub, Sixth Sense
→ ITC Kohenur opens in Hyderabad
→ ITC Grand Goa opens in Goa
→ ITC surpasses building of 25,000+ toilets as part of its Health and Sanitation programme

2021
→ ITC articulates targets for Sustainability 2.0 vision
→ ITC unveils extensive strategy reset with ITC Next
→ ITC launches phygital farmer empowerment platform, ITCMAARS
→ ITC launches 110 products during COVID-19
→ ITC sets up Covid Contingency Fund of ₹215 crores
→ ITC helps set up 200-bed Covid-19 medical facility in Kolkata
→ ITC's Bhadrachalam unit supplies medical oxygen to Telangana hospitals
→ ITC launches Integrated Rural Healthcare Programme, Swaasth Kiran
→ ITC Windsor becomes 1st LEED® Zero Carbon-certified hotel in the world

→ ITC Hotels announces two new brands, Mementos and Storii
→ ITC commissions first offsite solar plant in Tamil Nadu
→ ITC Paperboards Business launches sustainable packaging solutions
→ ITC Foods launches Nutrition strategy – Help India Eat Better
→ ITC collaborates with D2C brands – Amway and McDonald's, to launch specialised products
→ ITC Paperboards Business commissions High Efficiency Recovery Boiler to increase renewable energy share
→ Ghod river basin turns water positive under ITC's Water Stewardship Mission

2022
→ Two decades of being water positive
→ ITC strengthens its Diversity & Inclusion policy
→ ITC Malur is the 1st foods factory in Asia to win AWS Certification
→ ITC turns Plastic Neutral
→ ITC's Solid Waste Management programme covers more than 1 million households
→ ITC's Afforestation Programme greens more than 1 million acres
→ ITC's Biodiversity Conservation programme covers more than 1 lakh acres
→ ITC's demand side management of water leads to potential water savings of nearly 500 million kl
→ ITC crosses milestone with 40 LEED Platinum® certified green buildings
→ ITC achieves 'Leadership Level' score for climate change, and water security by CDP

→ ITC sustains AA rating by MSCI for 5th consecutive year
→ ITC Foods forays into food service online space
→ ITC Foods launches India's first pouch packaged lactose-free milk under Aashirvaad Svasti
→ ITC Foods launches nutrition projects, Project Samposhan & Project Balposhan
→ ITC Narmada opens in Ahmedabad
→ ITC launches Global Spices Processing Facility in Guntur
→ ITC's Chirala factory completes 100 glorious years
→ ITC's Trichy plant employs around 75% women in its workforce
→ ITC's Mysuru factory employs 50% women in its workforce

Approach to Sustainability 2.0

Environmental Stewardship

Social Stewardship - Sustainable & Inclusive Growth

Annexures

2023

- ITC brings out its 20th Sustainability Report
- ITC's Climate Smart Village programme covers 1 million acres
- ITC's Vocational Training initiative benefits 1 lakh candidates
- ITC's Women Empowerment programme covers over 1 lakh women
- ITC's Primary Education initiative helps over 1 million children
- World's first 12 hotels to receive LEED® Zero Carbon Certification are ITC hotels
- World's first 2 hotels to receive LEED® Zero Water Certification are ITC hotels

- ITC launches Mission Millets
- ITC unveils new factories in Medak and Khordha
- ITC acquires Yoga Bar
- ITC Hotels launches first Mementos property in Udaipur
- ITC wins 'Astitva Sanman' award for women empowerment
- ITC's Water Stewardship Programme covers over 15 lakh acres
- ITC Rajputana, Jaipur, is 3rd hotel globally to be LEED® Zero Water certified
- ITC's brand Classmate completes 20 years

- ITCMAARS, a phygital farmer empowerment platform, crosses 10 lakh followers
- ITC wins first-ever UNDP Mahatma Biodiversity Award
- ITC's Life Sciences and Technology Centre completes 50 years
- ITC lays foundation stone for Foods & Sustainable Packaging facilities in Sehore
- ITC factories in Ranjangaon attain AWS Platinum Certification
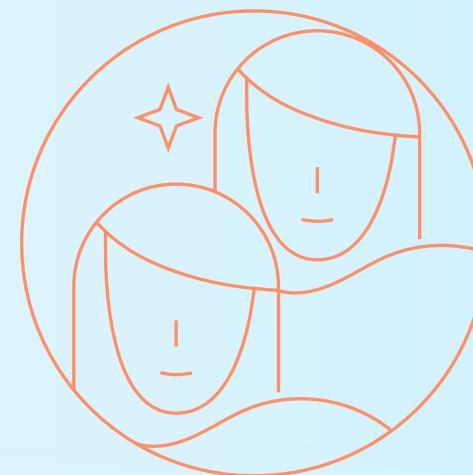
2024

Significant increase in renewable energy share from 43% last year to
50%

6 million
women benefitted through ITC's social initiatives till date

ITC improved crop water use efficiency in the agri value chain through demand side management leading to potential water usage savings of more than
1 billion kl

ITC factories in Mysuru, Bengaluru, Ranjangaon, and Saharanpur attain
AWS Platinum Certification

ITC enters the prestigious
'A' List for CDP Water

ITC wins
'Business Leader of the Year - ESG'
prize at Chemtech Leadership & Excellence Award

ITC's Approach to Value-creation

Strategic Framework

Driven by the vision of building a dynamic 'Future-Tech', Consumer-Centric, Climate-Positive, and Inclusive enterprise, ITC's Corporate Strategy is anchored around six key pillars: creating Multiple Drivers of Growth, focusing on Innovation and R&D, bringing in structural interventions across the value chain for Agility, Resilience, and Efficiency, creating a Digital-first culture, and a Smart Ecosystem with bolder ambitions on Sustainability, empowered by world-class talent.

ITC's vibrant and synergistic portfolio of businesses with a growing presence across all three sectors of the economy-agriculture, manufacturing, and services, ensures seamless access to institutional strengths resident across various businesses of the Company to drive growth and enhance the competitive power of the portfolio.

ITC is actively working towards Sustainability 2.0, an agenda that reimagines sustainability under the pressing challenges of climate change and social inequity. Sustainability 2.0 calls for inclusive strategies that can support sustainable livelihoods, pursue newer ways to fight climate change, enable the transition to a net-zero economy, work towards ensuring water security for all, and create an effective circular economy for post-consumer packaging waste. It also entails protecting and restoring biodiversity, and ecosystem services by adopting nature-based solutions.

ITC's Corporate Strategy leverages its competitive advantages based on the strong foundation of its institutional strengths. The Company believes that when enterprises make societal value creation an integral part of their corporate strategy, powerful drivers of innovation emerge that make growth more enduring for all stakeholders. At ITC, this paradigm is called 'Responsible Competitiveness'- an abiding strategy that focusses on extreme competitiveness but in a manner that replenishes the environment and creates sustainable livelihoods. The Company's innovative business models synergise the building of economic, environmental, and social capital, thus embedding sustainability at the core of its corporate strategy. Today, this strategy has not only contributed to building strong businesses of the future as well as a portfolio of winning world-class brands but also to making ITC a global exemplar in 'Triple Bottom Line' performance.

ITC's governance, strategy, and business actions are guided by its Vision, Mission, and Values.

Vision
Sustain ITC's position as one of India's most valuable corporations through world-class performance, creating growing value for the Indian economy and the Company's stakeholders.

Mission
To enhance the wealth-generating capability of the enterprise in a globalising environment, delivering superior and sustainable stakeholder value.

Values
ITC's Core Values are aimed at developing a customer-focussed, high-performance organisation that creates value for all its stakeholders:

+ Trusteeship

+ Excellence

+ Customer Focus

+ Innovation

+ Respect for People

+ Nation Orientation
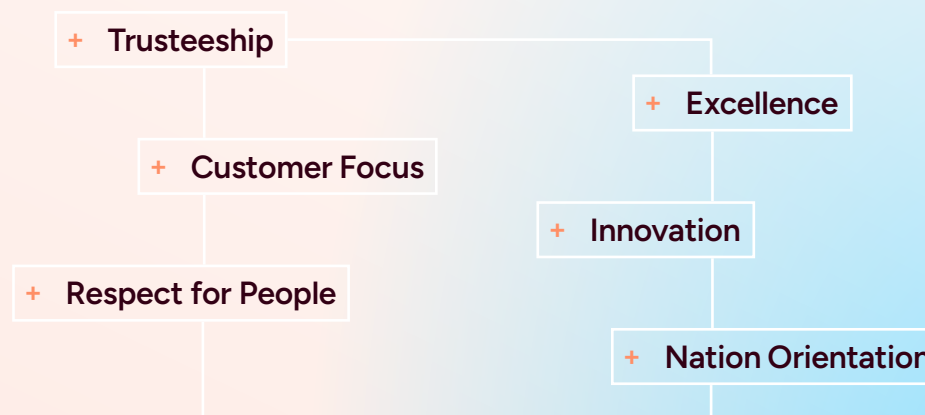
ITC's Corporate Strategy is crafted in response to its unique operating context, material issues, and stakeholder expectations, embedding the key tenets of ITC's corporate philosophy.
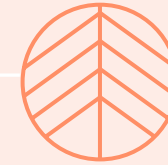
ITC Next Strategy →

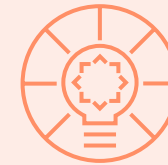| Future Tech	Consumer Centric	Climate Positive	Inclusive

Strategic Pillars

Strategic Pillars

Multiple Drivers of Growth

Future Ready Portfolio

Innovation and R&D

Agile, Purposeful, Science-based platforms

Supply Chains

Agile, Resilient, Efficient

Sustainability 2.0

Responsible Competitiveness, Bolder Ambition

Digital

Digital first culture, Smart eco-system

Cost Agility & Productivity

Structural Interventions across value chain

ITC Synergy

World-class Talent

Approach to Sustainability 2.0

Environmental Stewardship

Social Stewardship – Sustainable & Inclusive Growth

Annexures

Multiple Drivers of Growth

→ Create multiple drivers of growth by developing a portfolio of world-class businesses that best matches organisational capability with opportunities in domestic and international markets
→ Enhance the competitive power of the portfolio by blending diverse skills and capabilities residing across businesses
→ Extend and defend core businesses while rapidly scaling up adjacencies
→ Incubate and build emerging businesses
→ Craft disruptive business models and value propositions anchored at the intersection of Digital and Sustainability leveraging the Company's institutional strengths
→ Leverage the unique opportunity in the India growth story to disproportionately scale up portfolio premiumisation across Businesses / product categories
→ Continue to invest across the business portfolio comprising FMCG, Hotels, Paperboards, Paper, and Packaging, Agri-Business, and Information Technology

→ Continue to invest in and engage with the start-up ecosystem to co-create innovative business models and relevant digital solutions that can be leveraged by the Company's businesses to unlock value and create new opportunities
→ Proactively pursue acquisition, joint venture, and collaboration opportunities in strategic areas toward accelerating growth and value creation

Market Standing
→ Build scale and develop economic moats in each business to drive sustainable competitive advantage and profitable growth
→ Strengthen and expand the Company's portfolio of brands and multichannel distribution network to serve consumers across market segments
→ Build a future-ready product portfolio in each business to cater to relevant and emerging segments through continuous innovation

△ Brand and Reputation
△ Sustained Stakeholder Value Creation
△ Risk and Crisis Management
△ R&D and Innovation
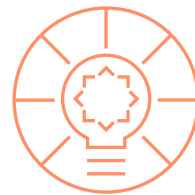
Innovation and R&D

→ Focus on agile and purposeful innovation sharply aligned with business strategy
→ Complement LSTC capabilities and competencies by investing in developing a robust innovation ecosystem, leveraging collaborations in cutting-edge science areas with world-class institutions to meet business aspirations and address emerging trends
→ Strengthen and build LSTC Science platforms to fuel innovation; develop and execute robust R&D strategies and plans with a view to securing sustainable and long-term competitiveness for each business
→ Strengthen the aspects of sustainability (climate-smart, resilience, adaptation, environmentally friendly, and regulatory-aligned) in all research programmes to support and drive a future-ready ITC

△ R&D and Innovation
△ Product Stewardship

Agile, Resilient, and Efficient Supply Chains

→ Continuously build adaptive, agile, and resilient supply chains to effectively manage complexities arising from evolving consumer preferences, increasing the salience of alternate channels, geopolitical dynamics, etc.
– Map risks and opportunities arising out of the climate crisis and other external shocks; build adaptive capacity and invest in mitigative measures to strengthen resilience across the value chain; identify opportunities that could potentially provide new vectors of growth
→ Leverage Industry 4.0 and digital technologies along with best-in-class planning, manufacturing, logistics, and distribution processes to enhance supply chain agility, responsiveness, and market servicing
→ Fuel growth and enhance profitability through structural interventions across each element of the value chain to eliminate waste and drive down costs on a sustained basis:
– Drive cost agility by adopting a multi-pronged approach centred around '3Rs': Remove, Reduce, Re-engineer

△ Sustainable Supply Chain
△ Brand and Reputation
△ Sustained Stakeholder Value Creation
△ Climate Resilient Operations
△ Risk and Crisis Management
△ R&D and Innovation

△ *Material Issues*

Approach to Sustainability 2.0

Environmental Stewardship

Social Stewardship - Sustainable & Inclusive Growth

Annexures

Sustainability 2.0

→ Sustain the Company's status as a global exemplar in sustainable business practices by pursuing the S2.0 vision through multi-dimensional interventions
– Build climate resilience and adaptive capacity in value chains
– Develop inclusive value chains that support 10 million livelihoods

→ Continue to pursue 'triple bottom line' objectives across economic, ecological, and social dimensions in line with its philosophy of enlarging its contribution to society and the nation and leveraging sustainable business practices as a distinct source of competitive advantage:
– Reinforce sustainability as an integral part of the Company's DNA and a key element of business strategy
– Promote sustainable consumption by augmenting the Company's sustainable products, services, and Business models

→ Enhance the Company's renewable energy footprint in line with 2030 S2.0 targets of

achieving 50% of total energy and 100% of grid-purchased electricity requirements from renewable sources; improve the energy efficiency of its own operations

→ Enhance the Company's resilience against climate change by developing climate-proof agri-value chains and physical assets based on detailed risk assessments using digitally powered climate modelling tools

→ Spearhead water stewardship to address the water security risks of units located in high water stress areas; scale up interventions to augment water supply in catchment areas

→ Build on the Company's existing solid waste recycling initiatives and sustain the 'plastic neutrality' status achieved in 2021-22, while also implementing sustainable packaging initiatives across Businesses

→ Build the capacity of value chain partners to ensure the adoption of sustainable business practices in their operations

△ Net Zero and Climate Transition

△ Climate Smart Agriculture

△ Nature and Biodiversity

△ Water Stewardship

△ Circularity and Sustainable Packaging

△ Product Stewardship

△ Sustained Stakeholder Value Creation

△ *Material Issues*

Digital

→ Institutionalise a data-driven and digital-first culture across the organisation and enable cross-fertilisation of ideas through structural interventions such as the Digital Council, the Young Digital Innovator's Lab (YDIL), and other forums to steer and accelerate the digitalisation journey

→ Build a dynamic 'Future-Tech' enterprise powered by 'Mission DigiArc', a next-generation smart digital architecture encompassing state-of-the-art digital technologies and infrastructure across the value chain

→ Deploy robust, scalable, and secure digital technologies and infrastructure to enhance agility, accelerate innovation, and drive impactful business outcomes

→ Build platforms of insights by harmonising and integrating large and isolated datasets powered by AI / ML technologies and 'human-centred design' and visualisation tools

→ Reimagine consumer engagement using digital technologies to deliver delightful brand experiences

→ Transform supply chain, sourcing, logistics, manufacturing, and warehousing systems into a resilient and agile next generation connected platform

→ Continuously strengthen the cybersecurity practices across the Company's operations, assets, devices, and network perimeter

△ R&D and Innovation

△ Sustained Stakeholder Value Creation

World-class Talent

→ Create a shared mindset across the organisation where people are inspired, engaged, and aligned to the Company's Mission, Vision, Values, and Strategic Agenda and driven by the 'Proneurial' spirit

→ Reinforce the Company's standing as a top employer through the value proposition of building diverse businesses, creating winning Indian brands, and embedding sustainability in value chains

→ Champion the Diversity, Equity, and Inclusion agenda through various enabling measures and focussed actions

→ Build a high-performance, agile, and customer-centric organisation while nurturing a culture of creativity and innovation that enables the organisation to respond proactively and with agility

→ Build a pipeline of highly engaged and aligned talent pools across responsibility levels in an extremely competitive talent market

△ Diversity, Equity and Inclusion

△ Human Rights

△ Learning and Development

Approach to Sustainability 2.0

Environmental Stewardship

Social Stewardship - Sustainable & Inclusive Growth

Annexures

Value Creation Model

Inputs

Business Activities

Outcomes

Inputs

Financial Capital

₹72,233 crores
Shareholders' funds

₹47,000+ crores
Revenue Expenditure

₹10,200+ crores
Capital expenditure over last 5 years

Manufactured Capital

200+
Manufacturing units

130+
Hotels

Intellectual Capital

₹818 crores
R&D Spend in last 5 years (cumulative)

800+
Patents filed

400+
Scientists

Human Capital

40,409
Full time employees

₹37.32 billion
Employee benefits expense

Social Capital

₹404.05 crores
CSR Expenditure across, more than 300 districts in 27 states / Union territories

17,500+
Grassroots Institutions / Community-based Organisations (CBOs) created

Relationship Capital

₹191 billion
Spend on indegenous procurement of raw materials, stores & supplies (87% of total procurement)

~7 million
Retail Outlets

Natural Capital

26,383 TJ
Total energy consumed

14 million kl
Net water consumption

3.3 million tonnes
Raw materials processed with 90% from agri / forestry based renewable sources

13,185 TJ
Total energy from renewable sources

Business Activities

Strategic Pillars

Multiple Drivers of Growth

Innovation and R&D

Agile, Resilient and Efficient Supply Chains

Sustainability 2.0

Digital

Cost Agility & Productivity

ITC Synergy

World-class Talent

Outputs

Business Segments

Fast Moving Consumer Goods
Cigarettes | Branded packaged foods | Personal Care Products | Incense Sticks | Safety Matches | Education and Stationery Products

Hotels
133 properties and over 12,773 rooms

Paper-boards, Paper and Packaging
In-house pulp manufacturing | Value-added paperboards | Specialty Papers

Agri Business
Sourcing and supply operations in 22 states encompassing over 20 agri-value chain clusters

Information Technology
Global technology services and solutions with presence in 40 countries | Business and technology consulting

Business Activities
Sustainable Sourcing | R&D | Manufacturing | Transportation and Logistics | Warehousing and Distribution | Delighting Customers | Marketing | End-of-life Management

Outcomes

Financial Capital

₹26,323 crores
PBT

₹20,422 crores
PAT

19.9%
Total Shareholders' Return CAGR over the last 2 decades

Human Capital

82
Employee Engagement Index

0.013
Injury rate

Intellectual Capital

100+
New Product Launches

25+
World Class Indian Brands

Social Capital

6 million+
Sustainable livelihoods supported

212 million
Person days of employment generated through social and farm forestry initiatives

Natural Capital

5,670 kilo tCO_2e
GHG Removals

More than 99%
of the total solid waste generated in ITC units was either reused or recycled

~55 million kl
Rainwater Harvesting Potential created

~70,000 tonnes
Plastic waste sustainably managed - Sustained Plastic Neutrality since FY 2021-22

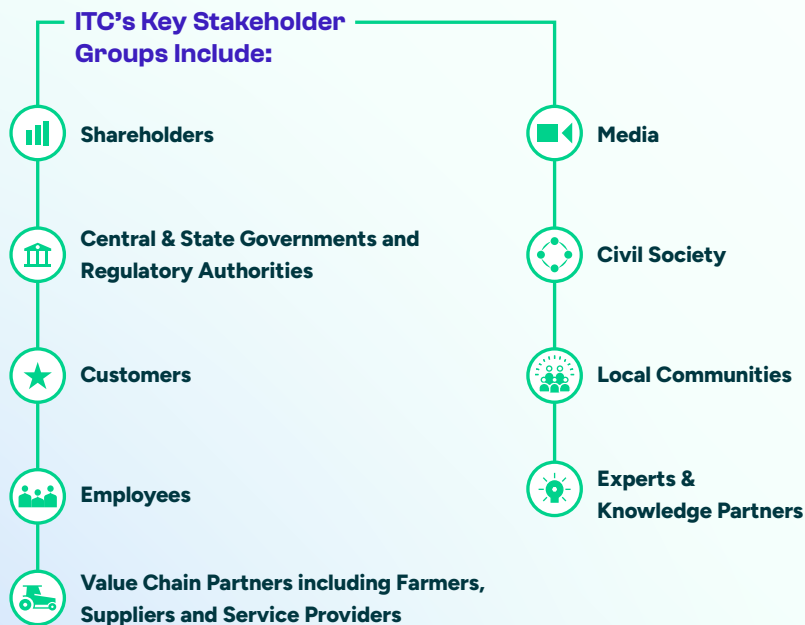Contribution to UN SDGs

Inside this section

Approach to Sustainability 2.0

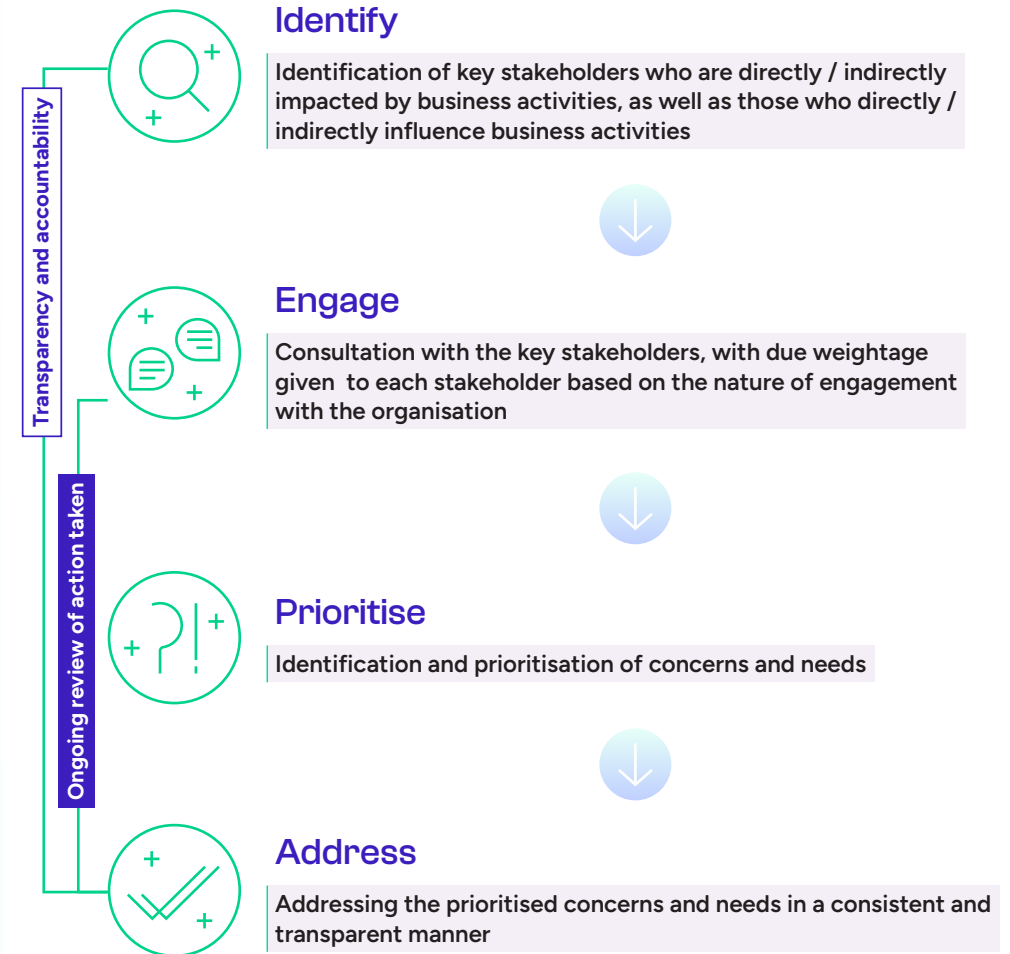# Strengthening Relationships with All Stakeholders

As an Enterprise of Tomorrow, ITC acknowledges its responsibility to meet stakeholder expectations in today's fast-evolving business and sustainability landscape. An effective stakeholder engagement approach plays an important role in ensuring that ITC continues to create larger societal value.

In line with the Board-approved Policy on Stakeholder Engagement, ITC has evolved a structured framework for engaging with its stakeholders and fostering enduring relationships with each one of them. ITC's engagement approach is anchored on the principles of materiality, completeness, and responsiveness.

ITC's Key Stakeholder Groups Include:

- Shareholders
- Central & State Governments and Regulatory Authorities
- Customers
- Employees
- Value Chain Partners including Farmers, Suppliers and Service Providers
- Media
- Civil Society
- Local Communities
- Experts & Knowledge Partners

The engagement approach takes into consideration the fact that each stakeholder group is unique and has a distinctive set of priorities. Insights gathered from stakeholder engagements, help validate the Company's approach and performance and shape new perspectives.

ITC's Stakeholder Engagement Approach

Transparency and accountability

Ongoing review of action taken

Identify
Identification of key stakeholders who are directly / indirectly impacted by business activities, as well as those who directly / indirectly influence business activities

Engage
Consultation with the key stakeholders, with due weightage given to each stakeholder based on the nature of engagement with the organisation

Prioritise
Identification and prioritisation of concerns and needs

Address
Addressing the prioritised concerns and needs in a consistent and transparent manner

Governance Process for Implementation of Policy on Stakeholder Engagement

→ **Sustainability Compliance Review Committee (SCRC):** Regular monitoring and evaluation of compliance with the Policy

→ **Corporate Management Committee (CMC):** Quarterly review of the report of the SCRC

→ **CSR & Sustainability Committee of the Board:** Supervise Implementation

Consultation with Key Stakeholders for Sustainable Solutions

To understand the stakeholder needs and evolving expectations, ITC engages in regular interactions with various stakeholders. Such multi-disciplinary engagement processes stimulate a deeper and more nuanced understanding of challenges and enable the emergence of customised solutions that help create enduring value.

Legend

- ⌁ Frequency of engagement
- ⚙ Consultation Mechanism
- ▲ Key Issues
- 💬 Select Stakeholder Engagements Conducted During FY 2023-24

Providers of Financial Capital / Shareholders ⌁ Ongoing

- ⚙ Annual General Meeting
- ⚙ Exclusive section on Corporate Website on 'Investor Relations' which serves to inform and service shareholders
- ⚙ Exclusive e-mail id: isc@itc.in for direct interaction with shareholders and for receiving investor complaints
- ⚙ Regular interaction with institutional investors

- ▲ Improved profitability and growth of the organisation
- ▲ Transparent and effective communication
- ▲ Investor Servicing
- ▲ Sound corporate governance mechanisms
- ▲ Providing deeper insights into the Company's Corporate Strategy and operating segments
- ▲ Sustainability 2.0

- 💬 Annual General Meeting of the Company held on August 11, 2023, through virtual mode
- 💬 Communicating quarterly performance takeaways through press releases, followed by presentations and post-result calls with analysts
- 💬 Key performance highlights were shared with all shareholders via email
- 💬 The Company hosted its second 'Investor Day' event for the investor community to provide deeper insights into ITC's Corporate Strategy and operating segments, including, inter alia, the 'ITC Next Strategy', which incorporates Sustainability 2.0 as a significant strategic pillar of the organisation. The event was hosted in hybrid mode, with over 100 physical attendees and 400+ overall attendees
- 💬 Sustained the intensity of interaction with analysts / fund managers of FPIs, domestic MFs, and Insurance cos. etc. during the year, leveraging both physical and virtual meeting platforms
- 💬 Engaged with investors with specific focus on ESG

Government and Regulatory Authorities ⌁ Ongoing

- ⚙ Representation on policy issues through industry associations and other bodies
- ⚙ Participation in policy advocacy discussions at various forums
- ⚙ Periodic meetings by SIP related to collaborations and Public Private Partnership (PPP) programmes

- ▲ Regulatory compliance
- ▲ Sound corporate governance mechanisms
- ▲ Tax revenues
- ▲ Transparency in disclosures
- ▲ Livelihood generation
- ▲ Climate Adaptation and Mitigation
- ▲ Natural resources management

- 💬 Representations on policy issues submitted to regulatory authorities through industry associations and other bodies
- 💬 92 Public Private Partnerships (PPPs) signed by SIP to date, of which 22 were operational in FY 2023-24. 6 new PPPs signed in FY 2023-24

Customers ⌁ Ongoing

- ⚙ Market surveys
- ⚙ Direct connect / visits
- ⚙ Personalised lifestyle privilege programme
- ⚙ Customer satisfaction surveys
- ⚙ Key account management

- ▲ Product / service quality and safety
- ▲ Adequate information on products
- ▲ Transparent communication
- ▲ Product / service availability
- ▲ Timely delivery of product / service
- ▲ Maintenance of privacy / confidentiality
- ▲ Fair and competitive pricing

- 💬 Dedicated Consumer Response Cell for capturing customer complaints, queries, feedback, and suggestions
- 💬 Rapidly evolving consumer needs are constantly being monitored through social listening and in-depth immersions and are being carefully synthesised to transform into relevant solutions
- 💬 Collaborative engagements on sustainability with key B2B customers
- 💬 The Business collaborated with multiple customers to address various sustainability focus areas in tobacco-growing regions. Sustainable Tobacco Programme (STP 2.0) for Global Tobacco Majors. Participation in the 'Thrive' programme with British American Tobacco (BAT). Agriculture Labour Practices (ALP) Code compliance for Universal & Phillip Morris International. Leaf Partnership Programme with Imperial Group: 9,300 beneficiaries under Water (RO Drinking Water Plants & Village Water Tank Renovation) and School Infra Upgradation programme.

Employees

- ⚙ Induction programmes / trainings / workshops
- ⚙ Individual performance appraisal
- ⚙ Employee engagement survey
- ⚙ Grievance handling processes
- ⚙ Trade union meetings

- ▲ Caring and empowering work environment
- ▲ Personal development and growth
- ▲ Health and safety
- ▲ Grievance resolution
- ▲ Competitive compensation

- 💬 Studio One Chairman's townhall
- 💬 Studio One Xchange – Personalised interactions of employees with senior leadership
- 💬 Townhalls with Business Heads and Leadership Teams
- 💬 Grievance redressal platforms
- 💬 Skip level meetings
- 💬 ITC's employee engagement survey, namely iEngage
- 💬 Interactions with Employee Resource Groups, Diversity Councils, Reflections 360° feedback system
- 💬 Trade Union Meetings
- 💬 Comprehensive induction programmes for new employees
- 💬 Ongoing Sustainability 2.0 culture-building efforts for engaging employees on dedicated days of national and international significance like World Water Day, Global Recycling Day, World Environment Day, Earth Day, and others.

ITC SustaiNext'23: Annual Sustainability Strategy Meet

The first edition of ITC SustaiNext'23 was organised on December 14 and 15, 2023, an event that brought together diverse stakeholders' voices, thoughts, and ideas on some of the key focus areas in sustainability.

The name 'SustaiNext' is an amalgamation of ITC's sustainability strategy, Sustainability 2.0, and the ITC Next strategy, and signifies how the former is an integral part of the latter.

The event was inaugurated by the Chairman and Managing Director. Eminent speakers talked about enablers

for a 'Net Zero' transition, climate adaptation solutions, the role of value chains, business opportunities on the cusp of sustainability and technology, the implications of biodiversity loss, and the importance of natural capital valuation. A panel discussion on climate risk and opportunities for corporates was also held.

The event included, workshops on Scope 3 emissions and materiality with internal stakeholders being invited to exchange ideas, knowledge, and perspectives.

Farmers

- ⚙ Regular formal / informal conversations
- ⚙ Farmer training programmes and workshops
- ⚙ Agreements for all procurement activities
- ⚙ e-Choupal and Choupal Pradarshan Khets (demonstration farms)
- ⚙ Participatory rural appraisals to identify needs and challenges

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- ▲ Sustainable and accelerated growth in livelihoods and farm incomes
- ▲ Know-how on the improvement of productivity and farm economics
- ▲ Capacity development for enabling further investment in agriculture
- ▲ Easy, affordable and reliable access to inputs such as quality seeds, fertilisers, pesticides, etc.
- ▲ Regeneration and replenishment of common resources like water, village commons, biomass, and biodiversity
- ▲ Building resilience against emerging sustainability risks like climate change and water stress
- ▲ Facilitating reach and implementation of Agri-tech

- 💬 More than 13,500 Farmer Field Schools and 11,750 Choupal Pradarshan Khets were conducted to disseminate knowledge to farmers
- 💬 Over 1,150 Agri-Business Centres (ABCs) and 1,660 Farmer Producer Organisations (FPOs) were created or strengthened to facilitate extension services to farmers, equipment hire, aggregation of produce, collective procurement and sales, etc.
- 💬 Climate-smart agricultural interventions operational in 85 districts of 19 states enabled connections with over 10.5 lakh farmers, including 1.95 lakh women farmers
- 💬 Over 12 lakh farmers have been trained using physical modes as well as digital modes through over 8,800 WhatsApp groups, in collaboration with NITI Aayog. These trainings provided the opportunity for engagement
- 💬 1.5 million farmers are connected to ITCMAARS

Sustainable and Climate-Resilient Agriculture

Mission Sunehra Kal for Sustainable and Inclusive Growth

ITC SustaiNext'23:
Annual Sustainability Strategy Meet

Value Chain Partners (Suppliers and Service Providers)

⥮ Ongoing

- ⚙ Manufacturers' meets
- ⚙ Vendor meets
- ⚙ Pre-agreement negotiations
- ⚙ Procurement agreements
- ⚙ Reporting of Breaches
- ⚙ Capacity Building Programme
- ⚙ Assessment of sustainability risks

- ▲ Knowledge and infrastructure support
- ▲ Resource-use efficiency, including sustainable natural resource management, greenhouse gas reduction and sustainable waste management
- ▲ Regular communication and updates on business plans
- ▲ Inclusion of local medium and small-scale enterprises in the vendor base
- ▲ Competency development of local vendors
- ▲ Stability / tenure of relationship
- ▲ Ordering and payment routines
- ▲ Purchase prices
- ▲ Corrective action plans to address the sustainability risks

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- 💬 ITC has a robust process of evaluating its Suppliers and Service Providers before engaging with them, proactively making them aware of its expectations / requirements, and seeking commitment for compliance through contractual agreements
- 💬 ITC's Sustainable Supply Chain Programme is focused on working closely with the set of identified critical suppliers. Accordingly, all ITC businesses have identified critical Tier-1 suppliers based on factors like ITC's buy value, ESG risk exposure and importance to business continuity, among others
- 💬 Various tech-enabled avenues have been deployed to constantly receive feedback and ideas from value chain partners
- 💬 ITC facilitated five capacity-building workshops covering ~ 100% of the identified critical Tier-1 suppliers on the topics of Governance & Fair Business, Labour Practices & Human Rights, Health & Safety, and Environment
- 💬 Supplier assessment was conducted for ~40% of critical Tier 1 suppliers (across Businesses)
- 💬 Corrective action plans are developed by divisions for suppliers found to have any non-conformance. The corrective action plans will then be implemented within specific timelines, and reassessments will be conducted.

Media

⥮ Ongoing

- ⚙ Leadership Interviews
- ⚙ Press briefings by Senior Leadership
- ⚙ Press Releases
- ⚙ Media Advertisements
- ⚙ Building Relationships

- ▲ Transparent and accurate disclosure to stakeholders
- ▲ Awareness of ITC's Businesses, Brands & Sustainability initiatives
- ▲ Enhancing Corporate Reputation

- 💬 The Chairman engaged extensively with senior editors of different leading publications and television channels for interviews that encapsulated various facets of the 'ITC Next Strategy' that focussed on building ITC as a future tech, competitive, climate-positive, and inclusive enterprise. This included interviews with The Week Magazine, Business Today Magazine, TV interviews with ET Now and CNBC, and publications like Business Standard, ET Online, Hindu, and Hindu Business Line among others. Various other leadership interviews were organised to highlight important growth vectors and interventions for ITC. Press releases on various brand launches and sustainability milestones were also issued. Editorial teams of different media houses were also sensitised on various aspects of ITC and its Businesses, Brands, and Sustainability interventions. Opinion makers were also sensitised on various sustainability efforts for ITC.

ITC Media Centre ↗   *Press releases, media reports & interviews*

Civil Society

⥮ Continuous with NGOs
⥮ Need based for Others

- ⚙ Partnerships for implementation of CSR programmes under 'Mission Sunehra Kal'
- ⚙ Discussions on community issues with civil society organisations

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- ▲ Financial support for community development programmes
- ▲ Managerial support
- ▲ Environmental impacts
- ▲ Safe products and services
- ▲ Responsible corporate citizenship

- 💬 ITC's Social Investments Programme has established implementation partnerships with 88 reputed and expert NGOs for the execution of various projects across India
- 💬 Three workshops were organised in Bengaluru, Haridwar, and Kolkata for the capacity building of over 200 representatives from NGO partners on the Company's Financial Systems and Procedures, due diligence requirements, etc. These workshops also provided a platform to reinforce ITC's approach to CSR and get their feedback
- 💬 Materiality assessment with 12 NGO partners was undertaken to get their insights and feedback on Environmental, Social, and Governance related aspects of ITC

Page 25   *Experts and Knowledge Partners section*

Local Communities

↕ Continuous

- Community needs assessment activities undertaken in collaboration with independent parties / civil society organisations
- Formation of village institutions and regular meetings thereon
- Public hearings for greenfield / expansion projects
- Assessment of direct and indirect impacts of ITC's social investments on communities

- ▲ Community development programmes based on the local community's needs
- ▲ Strengthening of livelihood opportunities
- ▲ Improvement of social infrastructure for a hygienic and healthy living environment
- ▲ Dignity of life through economic and social empowerment

Community needs assessment activities:
- A Core Area Perspective Plan (CAPP) is done in ITC's catchments to understand the needs of the communities and design the basis of the intervention. As a follow-up to the second CAPP 2.0 done in FY 2021-22, household surveys are conducted yearly on a smaller sample to re-assess and reaffirm the continued relevance of the needs identified and accordingly cognise the same in plans. In FY 2023-24, over 6,000 households across four states were covered
- ITC also engaged with various Government stakeholders for policy suggestions and shaping appropriate interventions to benefit a larger populace. E.g., engagements were done with the Department of Drinking Water & Sanitation (DDWS) for a decentralised solid waste management

programme, and the Ministry of Environment, Forest and Climate Change constituted a team for drafting the Green Credit framework guidelines
- Stakeholder engagements were done by organising workshops and meetings. E.g., a workshop with the Women Development & Child Welfare (WD & CW) Department and Pratham to strengthen Early Childhood Care & Education (ECCE) in Andhra Pradesh with solution providers, the Government, and farmers for exploring potential ex-situ solutions available for paddy straw in Kapurthala (Punjab).
- In addition to the regular community interactions and stakeholder engagements, 42 community engagements were held across 13 States, where ITC's Social Investments Programme (SIP) is implemented to discuss and capture the views, issues, and complaints, if any, of the community members. The sustainability audit certification processes and assessments done by external agencies also include stakeholder engagement, wherein auditors and agencies interact with communities and other stakeholders
- Seven new Alliance for Water Stewardship (AWS) audits and two surveillance audits were done in the year during which detailed stakeholder engagements were taken up by the auditors to get their feedback on the programmes
- A study was conducted to create a climate-resilient civic infrastructure master plan template for Urban Local Bodies and Panchayats with Urban Management Consulting Pvt. Ltd.

Formation of village institutions:
- Over 17,580 grassroots institutions have been strengthened so far including Water User Groups, Vanikaran Sanghas, Self-Help groups, Agri-Business Centres, School Development, and Management Committees, etc.

Assessment of direct and indirect impacts:
- Impact Assessments were done for projects with significant investments (more than ₹1 crores value in FY 2021-22)

Experts and Knowledge Partners

↕ Need based

↕ Some engagements are continuous also

- Expert Forums and Knowledge Platforms
- Events and Conferences
- Collaborative Platforms like the India Plastics Pact, CII- ITC Centre Of Excellence for Sustainable Development, Global Reporting Initiative (GRI), Alliance for Water Stewardship (AWS)
- Ongoing Discussions and Scoping Meetings for developing projects aligned with Sustainability 2.0
- Partnerships for implementation of CSR interventions

- ▲ Sustainability 2.0 priority areas like climate change, water security, sustainable packaging, biodiversity, and human rights
- ▲ Contemporary knowledge in areas like agriculture, health, and nutrition

- To plan and collaborate for undertaking need-based studies, planning interventions, providing technical support in designing and guiding the implementation of an intervention plan, and validation of impacts and outcomes

- Engagement with academic and research institutions, agri-universities, and a few governments and international bodies (refer to the names given in the next point) for various activities including field assessments, capability building of Government, ITC, and partner NGO teams and beneficiaries
- Knowledge partnerships include those with the National Institute of Nutrition, Agricultural Institutes like the Tamil Nadu Agricultural University (TNAU), the Indian Institute of Rice Research (IIRR), the Indian Institute of Soya Research (IISR), the ICAR-Agricultural Technology Application Research Institute (ATARI), Kanpur, Dr. Rajendra Prasad Central Agricultural University, Pusa, and district level Krishi Vigyan Kendras (KVK). Also, with technical institutes like IIT Delhi and IIT Kharagpur.

Page 167   *Mission Sunehra Kal for Sustainable and Inclusive Growth: Multi-Stakeholder Partnerships / Collaborations*

ITC's Double Materiality Analysis

The world is nearing the halfway mark towards 2030, widely regarded as the 'Decade of Action' and rightly so as it aligns with the deadline to meet the UN Sustainable Development Goals. It is also the outer limit allotted by climate scientists before which meaningful progress needs to be made towards avoiding the irreversible impacts of climate change.

Considering the significance of this period, it is pertinent to review the existing list of ESG (Environmental, Social, and Governance) topics that matter to ITC's stakeholders. For this, the Company undertook a "Double Materiality" assessment in FY 2023-24 that not only considered ESG topics that can reasonably be expected to trigger material financial effects for the Company "Financial Materiality" but also those topics that may entail actual or potential, positive or negative impacts on people or the environment, i.e., ITC's stakeholders "Impact Materiality". This approach is aligned with the recommendations of GRI Standards 2021.

Material issues

Material issues are one of the key inputs for medium- and long-term planning. The sensitivity of an issue to stakeholders and ITC, in terms of both impact materiality and financial materiality, forms the basis of the double materiality analysis, which in turn guides the processes for identifying, managing, and devising specific action plans for addressing them.

ITC's approach to managing each material issue has been presented throughout this Report.

As part of the double materiality assessment process

~120 stakeholder voices were captured

~45 external stakeholders

representing sustainability experts, civil society organisations, B2B customers, third-party manufacturers, logistics partners, media, and institutional investors

>70 internal stakeholders

covering sustainability practitioners and senior management representatives from across ITC Businesses

In addition to this, ITC commissioned a pan-India consumer sustainability survey in 2023 across its key national markets to capture the views of

1,750 consumers

These were also considered in the double-materiality assessment

Approach to Sustainability 2.0

Environmental Stewardship

Social Stewardship - Sustainable & Inclusive Growth

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ITC's Step-by-step Approach for Assessing Double Materiality

1 Identification of ESG Topics

Identifying ESG topics based on:

1. Previous Assessments
2. European Sustainability Reporting Standards (ESRS) Universe of Topics
3. Frameworks like GRI, ISSB
4. Inputs from existing Due Diligence Processes
5. Peer Benchmarking
6. Enterprise Risk Management System

ESG topics to be contextualised to ITC's business and strategy including operations, products, services, and markets including value chain.

2 Engage Stakeholders for Assessing Impact & Financial Materiality

Impact Materiality

Engaging stakeholders, identified in line with ITC's Stakeholder Engagement Approach, for assessing impacts (actual & potential, positive & negative) for all ESG topics based on severity (scale, scope, irremediability) and likelihood

Financial Materiality

Engaging senior management for assessing financial risks and opportunities for all ESG topics based on severity and likelihood using either qualitative or quantitative thresholds.

3 Develop Materiality Matrix & Identify Material ESG Topics

Consolidate

Consolidate inputs from previous steps

using appropriate thresholds for determining ESG aspects to be considered material

Validate

Validate with senior management

to ensure completeness

4 Strategise, Disclose and Assure

Integration of Material ESG topics with:

1. ITC's Sustainability 2.0 Strategy & Goals
2. Enterprise Risk Management System
3. Annual sustainability disclosures including third-party assurance

Annual approval of materiality assessment and sustainability report by Sustainability Compliance Review Committee (SCRC), Corporate Management Committee (CMC) and CSR & Sustainability Committee of the Board.

5 Review & Reassessment of Material ESG Topics

Annual review of material ESG Topics:

Track

Continuous tracking of global and national sustainability landscape for identifying emerging ESG issues.

Reassess

Reassessment of Double Materiality every 2-3 years.

Approach to Sustainability 2.0
Environmental Stewardship
Social Stewardship - Sustainable & Inclusive Growth
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Material Issues

1 Brand and Reputation

2 Nature and Biodiversity

3 Data Security and Privacy

4 Climate Smart Agriculture

5 Ethics and Governance

6 R&D and Innovation

7 Net Zero and Climate Transition

8 Circularity and Sustainable Packaging

9 Product Stewardship

10 Water Stewardship

11 Sustained Stakeholder Value Creation

Impact Materiality

1 Brand and Reputation

2 Nature and Biodiversity

3 Data Security and Privacy

4 Climate Smart Agriculture

5 Ethics and Governance

Human Rights

Nutrition

6 R&D and Innovation

7 Net Zero and Climate Transition

8 Circularity and Sustainable Packaging

9 Product Stewardship

10 Water Stewardship

11 Sustained Stakeholder Value Creation

Food Loss & Waste

Sustainable Livelihoods

Diversity, Equity and Inclusion

Risk and Crisis Management

Occupational Health & Safety

Sustainable Supply Chain

Climate Resilient Operations

Learning & Development

Responsible Policy Advocacy

Financial Materiality

Materiality Matrix

Approach to Sustainability 2.0

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Strategic Risk Management

As a diversified enterprise, ITC continues to focus on a system-based approach to business risk management. The management of risk is embedded in the corporate strategies of developing a portfolio of world-class businesses that best match organisational capability with market opportunities, focusing on building distributed leadership and succession planning processes, nurturing specialism and enhancing organisational capabilities through timely developmental inputs.

Accordingly, management of risk has always been an integral part of ITC's 'Strategy of Organisation' and straddles its planning, execution and reporting processes and systems. Backed by strong internal control systems, the current Risk Management Framework consists of the following key elements:

→ The Corporate Governance Policy approved by the Board, clearly lays down the roles and responsibilities of the various entities in relation to risk management covering a range of responsibilities, from the strategic to the operational;

→ The Risk Management Committee, constituted by the Board, monitors and reviews the strategic risk management plans of ITC as a whole and provides necessary directions on the same. It also reviews the implementation, effectiveness and adequacy of the risk management policy, plans and systems of the Company;

→ The Corporate Risk Management Cell, through focused interactions with businesses, facilitates the identification and prioritisation of strategic and operational risks, development

of appropriate mitigation strategies and conducts periodic reviews of the progress on the management of identified risks;

→ The annual planning exercise requires all businesses to clearly identify their top risks and set out a mitigation plan with agreed timelines and accountabilities. Businesses are required to confirm periodically that all relevant risks have been identified, assessed, evaluated and that appropriate mitigation systems have been implemented.

Risk Management System

ITC endeavours to continually sharpen its Risk Management systems and processes in line with a rapidly changing business environment. In this regard, it is pertinent to note that most of the key businesses of ITC have adopted the ISO 31000 Risk Management Standard and accordingly, the Risk Management systems and processes prevalent in these businesses have been independently assessed to be compliant with the said global Standard on Risk Management. During the year, major Business clusters of the Foods Business Division were assessed for compliance with ISO 31000 Risk Management Standard. This is in addition to the twelve Divisions / SBUs which were previously assessed for compliance with the ISO 31000 Standard. This intervention provides further assurance on the robust nature of risk management practices prevalent in the Company.

The centrally anchored initiative of conducting external independent reviews of key business processes with high 'value at risk' continued during the year.

Corporate IT Steering Committee

The Corporate IT Steering Committee (CITSC), is the apex committee across the Company for key matters related to Information Management Governance, Risk Management, Compliance and Cyber Security. The Committee is chaired by the Wholetime Director on the Board of ITC & Chief Financial Officer of the Company.

Cyber Security Committee

A Cyber Security Committee, chaired by the Chief Information Officer (CIO), is in place to provide specific focus on cyber security related risks, with the primary responsibility of tracking emerging practices and technologies and provide suitable recommendations for enhancing security of the IT systems and infrastructure. The Chief Information Security Officer (CISO) is responsible for ensuring that the Cyber Security systems of the Company remain effective and contemporary. The CIO and CISO are also invited to the meetings of the Risk Management Committee of the Company, whenever matters relating to cyber security are considered.

CSR and Sustainability Committee

Business Continuity Management (BCM)

Designed to address the threat of disruptions to business activities or processes, Business continuity and resilience planning validates the adequacy of the existing systems and processes to prevent and recover from potential threats.

It ensures continuity of delivery of products or services at pre-defined acceptable levels following a disruptive incident.

Business Continuity Plans have been made comprehensive to include all facets of operations and are being tested at pre-determined intervals. These Plans have been duly approved by the Management Committee of the Businesses.

Risks, Potential Impacts and Mitigation

1

Climate Change and Sustainability

Risk Description: Climate related physical and transition risks may impact business operations, sourcing, supply chain and increase compliance costs.

Potential impact

→ As average temperatures rise, extreme weather events are expected to grow in terms of severity and frequency which could have significant impact on the Company's operations, its physical assets and agri value chains. These may lead to complete or partial outage of operations. Further, these events may also adversely impact the availability and quality of agri raw materials and consequently, the production and sales of the Company's products;

→ Vagaries of weather caused by climate change may impact crop cycles, output and productivity resulting in disruption of operations / supply chain;

→ Availability of water for own operations as well as agri value chains may be adversely impacted by erratic precipitation patterns;

→ Besides physical risks, transition risks associated with climate change, may impact the Company's operations:

– Additional levies may be imposed by regulatory authorities for emission / water intensive industries to address climate change, resulting in higher cost of compliance, and potential regulatory penalties and reputational risk in case of non-compliance.

Risk Mitigation Strategy

Physical Risk Management

→ Usage of contemporary climate risk modelling tools for identifying high-risk / vulnerable sites and agri value chains, and undertaking detailed assessments for developing locally contextual adaptation plans, risk mitigation strategies and undertaking measures for improving climate resilience;

→ Promotion of climate smart agriculture, and development of heat / drought tolerant and high yielding varieties to improve productivity by adopting micro region-specific agronomic practices:

– Developing region-specific package of practices and promoting climate smart farming techniques to mitigate impact of weather;

– Enhancing climate resilience of farmers through capacity building programmes by leveraging ITCMAARS and the Farmers' Producer Organisation (FPO) ecosystem, supported by field demonstrations under Choupal Pradarshan Khets;

– Comprehensive programmes on social forestry, soil and moisture conservation and biodiversity conservation;

– Adoption of water stewardship approach to achieve water security for all stakeholders within the defined catchment areas of units located in high water stress areas;

→ Supply chain diversification and contingency planning;

→ Map risks arising out of climate crisis, build adaptive capacity and invest in mitigative measures to strengthen resilience across the value chain.

Transition Risk Management

→ Continue to focus on energy conservation, improving energy productivity and enhancing the share of renewables in ITC's total energy requirement as part of ITC's Sustainability 2.0 targets;

→ Strengthen governance mechanisms for reviewing performance and progress against Sustainability 2.0 targets through the Sustainability Compliance and Review Committee (SCRC);

→ Adopt the Life-Cycle Assessment (LCA) approach to evaluate the potential environmental impacts of products during their entire lifecycle; leverage the same for designing sustainable products and offering the same to consumers anchored on scientific and robust claims.

2

Cyber Security and Information Technology Systems

Risk Description: Increasing intensity of sophisticated cyber-attacks may result in non-availability of Information Technology systems and Information Assets, loss of data integrity and compromise / theft of sensitive or personal information.

Potential impact

With accelerating adoption of digital technologies such as Cloud, AI, ML, Robotic Process Automation along with increasing inter connectedness with partners and remote working, the Company's operations are vulnerable to cyber-attacks, the impact of which can be on multiple dimensions:

→ Unavailability of IT Systems and Infrastructure causing significant disruption to business operations;

→ Compromise / theft of sensitive or personal information of organisations / individuals may impact stakeholder confidence;

→ Data loss may lead to disruption of business operations;

→ Regulatory non-compliance;

→ Reputational damage and financial loss.

Approach to Sustainability 2.0

Environmental Stewardship

Social Stewardship - Sustainable & Inclusive Growth

Annexures

Risk Mitigation Strategy

→ Comprehensive Information Policy detailing practices and procedures for acquisition, deployment, use and retirement of all information assets with specific focus on access authorisations, data storage and backups, incident response and recovery. The policy is reviewed on a regular basis to align with contemporary and evolving best practices, standards and technologies;

→ Identification of critical IT systems and information assets, and establishing robust IT Continuity Plans along with periodic review and testing thereof;

→ Dedicated security team under the leadership of Chief Information Security Officer (CISO) to continuously monitor cyber risk and threat landscape and prioritise digital initiatives for strengthening cyber resiliency of the organisation;

→ Centralised supervision of software updates and establishment of a Next Generation Cyber Security Operations Centre (SOC) to monitor and mitigate cyber risks across end points, network, cloud, email, web and data centres. This involves use of contemporary cybersecurity technologies, continuous threat intelligence feeds and automated operations towards enhancing cyber threat detection, response, and prevention capabilities;

→ Vulnerability Assessment and Penetration Testing (VAPT) by independent experts for all internet facing applications and Information Technology (IT) and Operation Technology (OT) infrastructure;

→ Implementation of comprehensive Guidelines on IT-OT integrations and a Continuous Threat Detection and Response (CTDR) platform across manufacturing facilities. This platform is designed to comply with industry standards such as ISO 62443 and the NIST Framework for Industrial Control Systems, to protect against cyber-attacks that target the OT infrastructure;

→ Intensify Cybersecurity awareness campaigns and training for all users across the organisation;

→ Policies covering the protection of personal information of consumers, employees and business partners are in place;

→ Periodic assessment of ITC's IT security posture by independent experts specialising in Information Security to validate adequacy of policy, practices and controls;

→ ISO 27001 certification of ITC Corporate Data Centres providing an independent third-party assurance of the effectiveness of the Company's Information Security Management System (ISMS)

3

Talent Management

Risk Description: Inability to attract and retain high quality talent in a highly competitive market.

Potential impact

→ Lack of requisite quality of management personnel could adversely affect business operations and long-term growth prospects;

→ Talent attrition beyond acceptable levels may impact ability to effectively fulfil Organisational goals and Customer expectations.

Risk Mitigation Strategy

→ Strengthening and communicating ITC's talent proposition about 'Building Winning Businesses. Building Business Leaders Creating Value for India';

→ Providing meaningful and challenging roles which enrich individual capability and act as a powerful incentive to stay, learn and grow;

→ Building a robust talent pipeline across responsibility levels through requisite quality in key roles, depth of bench and reliable succession plans;

→ Investments in capability building of managers through access to the best-in-class upskilling programmes and development interventions;

→ Recognising and nurturing specialism so that employees who wish to focus on niche, business critical skills can continue to grow in their area of expertise;

→ Benchmarking compensation to the relevant market periodically, ensuring strong alignment with short-term and long-term performance, particularly at senior levels and ring-fencing top talent;

→ Ensuring the talent quotient in the Company remains healthy and vibrant through annual segmentation supported by differential rewards and progression opportunities for industry leading talent;

→ Energising and nurturing pride in membership through frequent leadership outreach to managers;

→ Engaging with the country's premier academic institutions to communicate the Company's talent proposition through case-study competitions, knowledge-sharing programmes by senior managers and the annual internship programmes creating a compelling proposition for the best candidates to aspire for a career with the Company;

→ Promotion of Diversity, Equity and Inclusion through supportive polices based on principles of equity;

→ Implementing measures to ensure sufficient representation of women in selection pools and deployment of the differently-abled across suitable opportunities in the value chain towards meeting the diversity and inclusion goals of the organisation;

→ Agility in adjusting HR practices and providing contemporary and relevant work policies to employees such as flexible work arrangements.

4

Discriminatory and punitive taxation, and stringent regulations on domestic legal cigarette industry

Risk Description: Discriminatory and punitive taxation coupled with extremely stringent regulations adversely impacts the domestic legal cigarette industry.

Potential impact

→ Progressive migration from consumption of duty-paid cigarettes to other lightly taxed / tax evaded forms of tobacco products leading to sub-optimisation of revenue potential of the tobacco sector;

→ Fillip to contraband cigarette trade in India due to attractive arbitrage opportunities; significant loss of revenue to the exchequer;

→ Subdued demand for Indian tobacco due to pressure on legal cigarette industry volumes; adverse impact on farmer earnings and livelihoods dependent on tobacco value chain.

Risk Mitigation Strategy

→ Engagement with policy makers for equitable, non-discriminatory, pragmatic, evidence-based regulations and taxation policies that balance the economic imperatives of the country and tobacco control objectives, cognising for the unique tobacco consumption pattern in India; highlighting the growing threat of illegal and smuggled cigarettes;

→ Regular interaction with enforcement authorities for actions against illicit trade such as seizure operations of counterfeit / smuggled / duty evaded cigarettes;

→ Counter illicit trade and reinforce market standing by fortifying the product portfolio through innovation, democratising premiumisation across segments and enhancing product availability backed by superior on-ground execution.

5

Innovation and Consumer / Brand Preference

Risk Description: Failure to adequately anticipate evolving consumer preferences and inability to proactively innovate and remain competitive.

Potential impact

→ Failure to track consumer trends and innovate may lead to the inability to meet changing consumer requirements with consequential decline in market share / demand for Company's products and services

Risk Mitigation Strategy

→ Deep understanding of consumer preferences and needs by synthesising information from multiple sources & crystallising the same for agile marketing actions, product development and innovation;

→ Focus on agile and purposeful innovation sharply aligned with business strategy; strengthen and leverage ITC Life Sciences and Technology Centre (LSTC) science platforms to build a robust pipeline of innovative products, thereby securing long term competitiveness;

→ Future-ready portfolio to address existing and emergent consumer needs anchored on purpose-led brands;

→ Leverage digital technologies and platforms to deliver personalised brand experiences. The Company's 'Sixth Sense' Marketing Command Centre and Consumer Data Hub (an AI powered personalised platform) gains insights on market trends and consumer behaviour and synthesises the same to craft personalised brand communication and product development;

→ Continuous measurement of performances related to brand inputs, against set objectives

and relative to competition, using a host of data scraping and social listening tools;

→ Contemporary brand marketing interventions to deepen consumer engagement and sharply communicate brand proposition and purpose. These are supported by micro segmentation and sharp targeting the consumer cohorts with hyper personalised content;

→ Geographical analytics (at a pin code level of granularity) of consumer buying preferences for each product category to offer the right portfolio to the right micro market;

→ Leverage Customer Relationship Management (CRM) platform for capturing customer complaints, queries, feedback and suggestions received across channels;

→ Leverage multi-channel go-to-market capability to drive penetration and accessibility by strengthening core channels, winning in emerging channels, scaling up D2C and digital first brands;

→ Focus on product safety to ensure world-class quality standards across the portfolio;

→ Continuous monitoring (using Machine Learning & Natural Language Processing based tools) of trademark infringement, brand safety and advertisement frauds to protect the brands and business.

6

Corporate and Brand Reputation

Risk Description:
→ Risks arising due to inadequate protection against malicious attacks, misinformation, trademark infringement, misrepresentation or fraudulent activity, including those on digital and social media. This can impact ITC's customer loyalty / consumer franchise and reputation.
→ Risk of the Company's brands and reputation getting impacted if it is construed that the Company's operations / products & services are inconsistent with the expectations of stakeholders.

Potential impact
→ Reduced stakeholder confidence on the Company due to misleading or malicious information on social media / other media channels regarding the Company's operations and activities;
→ Reduced customer confidence due to posts / articles relating to quality and performance of Company's products and services leading to tarnishing of image and reputation with consequent revenue loss;
→ Loss of time and resources on dispute resolution.

Risk Mitigation Strategy
→ Structured and targeted media-engagement plan in place;
→ Effective engagement and responsible advocacy with stakeholders on issues relating to ITC's products, services, initiatives, and business practices;
→ Leveraging publicly available web applications and dedicated brand advocacy platforms to disseminate information about ITC and its brands digitally;
→ Sustained communication of ITC's commitment to the protection of the environment and well-being of society and stakeholders;
→ Mechanisms to respond to any fake or malicious posts (including social media) impacting the reputation of ITC, its businesses and brands;
→ Compliance with best practice guidelines laid down by Advertising Standards Council of India;
→ Familiarisation programmes and periodical updates for employees on ITC's Code of Conduct. The governance framework continuously reinforces and helps realise highest standards of ethical and responsible conduct to create enduring value for all stakeholders;
→ Capacity building workshops for key value chain partners to educate, and create shared awareness on key areas like human rights, labour practices and sustainability;
→ Ensure marketing claims made by the organisation are backed by adequate substantiation and credible research;
→ Stringent product performance checks prior to launch in the market;
→ Detailed standard operating procedures / process guidelines to ensure standardisation of services / products and adherence to quality standards.

7

Heightened uncertainty in the macro-economic and operating environment

Risk Description: Heightened uncertainty in the macro-economic and operating environment resulting in fluctuation in demand for the Company's products and services, inflationary pressures, volatility in financial and commodity markets.

Potential impact
→ In a globalised environment, economic / geopolitical developments may lead to inflationary pressures, supply chain disruptions, volatility in interest and exchange rates, and commodity prices. These could also cause significant fluctuation in the demand for the Company's products and services;
→ Regulatory actions such as imposition of price controls, ban on import / export of raw materials / finished products related to the Company, or other similar restrictions could impact business operations and profitability.

Risk Mitigation Strategy
→ Continuously build adaptive, agile and resilient supply chain to effectively manage complexities arising from geo-political dynamics and fast evolving consumer preferences;
→ Diversify the vendor-base for sourcing key inputs and increase safety stock levels as warranted;
→ Leverage digital technologies along with best-in-class planning, manufacturing, logistics and distribution processes to enhance supply chain responsiveness and market servicing.

8

Black Swan Event

Risk Description: Disruption across the value chain arising out of unforeseen events like the COVID-19 pandemic.

Potential impact
→ Disruption in supply chain including volatility in commodity prices, non-availability of raw materials, labour disruptions and challenges in product manufacture and distribution leading to stock-outs and inability to service the market;
→ Business loss due to change in composition of consumer consumption basket including decline in demand for discretionary products, delays in new product launches and market service issues.

Risk Mitigation Strategy
→ Processes and protocols have been institutionalised across all nodes of operations to deal with unforeseen events like the COVID-19 pandemic;
→ Cross-functional Crisis / Contingency Management Teams, both at the Business as well as at the corporate level for continually reviewing strategic, operational, and financial matters;
→ Business continuity plans for securing key material supplies including usage of substitute materials, increasing safety stock levels, identification of alternate / domestic vendors, identification and activation of potential alternative manufacturing capacities to supplement existing facilities;
→ ITC Agri Business wide geographical spread, multiple sourcing models, extensive sourcing and supply chain network and associated infrastructure in key growing areas coupled with deep-rooted farmer linkages;

→ Leveraging alternate channels of distribution to assist in uninterrupted supply of Company's products;

→ Agile innovation and dynamic manufacturing capacities to quickly launch product offerings in line with the changing consumer requirements;

→ Close monitoring of emergent consumer trends backed by robust innovation and research platforms of ITC's Life Sciences & Technology Centre (LSTC) along with strong product development capabilities at the Business level.

9 Diversified Business Portfolio

Risk Description: Increasing complexity of operations in the context of a highly diversified business portfolio.

Potential impact
→ Diversified portfolio may lead to inadequate focus on key businesses.

Risk Mitigation Strategy
→ ITC's Strategy of Organisation and three-tier governance structure ensure that:

− Strategic supervision (on behalf of the shareholders), being free from involvement in the task of strategic management of the Company, can be conducted by the Board of Directors with objectivity, thereby sharpening accountability of management;

− Strategic management of the Company, uncluttered by the day-to-day tasks of executive management, remains focused and energised;

− Executive management of the divisional business free from collective strategic responsibilities for ITC as a whole, remains focused on enhancing the quality, efficiency and effectiveness of the business to achieve best-in-class performance.

→ ITC believes that the right balance between freedom of management and accountability to shareholders can be achieved by segregating strategic supervision from strategic and executive management;

→ The governance framework of the Company enables each business to focus on its operating segments, while harnessing the diversity of the Company's businesses to create unique sources of competitive advantage; empowered and integrated teams have been formed, where applicable, to focus on specific product markets enabling enhanced consumer centricity and agility, whilst providing undiluted attention to each segment;

→ Drive synergistic growth and enhance the competitive power of the portfolio by blending the diverse skills and capabilities residing in the various Businesses of the Company.

10 Product and Plastic Packaging

Risk Description: Inability to comply with current or future regulation on plastic packaging and / or failure to meet commitments on packaging and the environment.
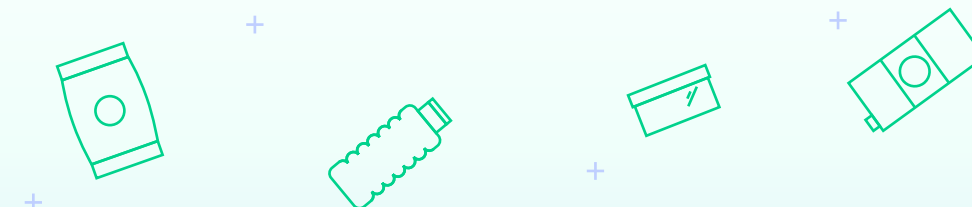
Potential impact
→ Non-compliance with plastic waste management regulations could lead to imposition of environmental compensation, that may negatively impact Company's reputation. Additionally, stricter government laws around usage of plastics including bans may give rise to multiple challenges such as redesign of product packaging, shelf life and product distribution related issues;

→ Disruptions in the supply chain for recycled plastic or plastic packaging substitutes as required by law, could impact the Company's ability to comply, produce and distribute products;

→ Inability to provide sustainable alternatives could have a negative impact on consumer sentiment.
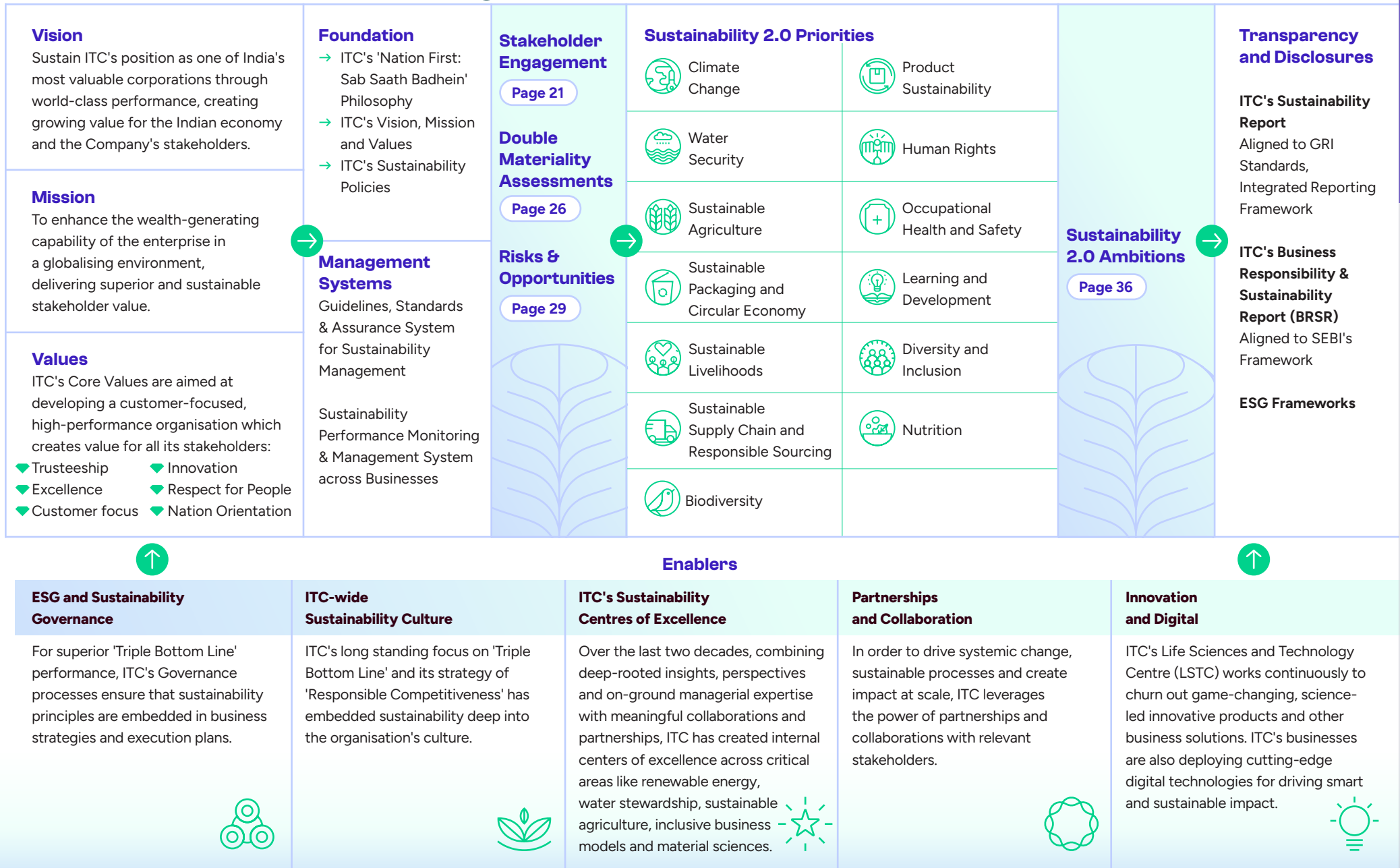
Risk Mitigation Strategy
→ Going beyond compliance wherever possible:

− Ensuring plastic neutrality ahead of regulatory targets through source segregation programmes, creating replicable, scalable and sustainable models of solid waste management, and developing viable recycling options for Multi-Layered Plastic (MLP) packaging. Additionally, undertaking third party assurance of underlying data related to plastic waste generation and collection;

− Ensuring a robust compliance management system supported by internal and external process review;

→ Partnering with upstream players and suppliers for ensuring supply of recycled plastic for meeting regulatory / market demand for increasing recycled content in plastic packaging;

→ Harnessing the enterprise strengths of ITC (Life Sciences and Technology Centre, Paperboards & Specialty Paper Division and Packaging and Printing Division) in driving cutting-edge innovation to offer sustainable alternatives to single use plastics. Pursue sustainable packaging initiatives like reduction in plastic packaging intensity and improving recyclability of plastic packaging.

📖 **ITC's ITC's Report and Accounts 2024** ↗

Sustainability 2.0 Management Framework

Vision
Sustain ITC's position as one of India's most valuable corporations through world-class performance, creating growing value for the Indian economy and the Company's stakeholders.

Mission
To enhance the wealth-generating capability of the enterprise in a globalising environment, delivering superior and sustainable stakeholder value.

Values
ITC's Core Values are aimed at developing a customer-focused, high-performance organisation which creates value for all its stakeholders:

- Trusteeship
- Excellence
- Customer focus
- Innovation
- Respect for People
- Nation Orientation

Foundation
→ ITC's 'Nation First: Sab Saath Badhein' Philosophy
→ ITC's Vision, Mission and Values
→ ITC's Sustainability Policies

Management Systems
Guidelines, Standards & Assurance System for Sustainability Management

Sustainability Performance Monitoring & Management System across Businesses

Stakeholder Engagement
Page 21

Double Materiality Assessments
Page 26

Risks & Opportunities
Page 29

Sustainability 2.0 Priorities

- Climate Change
- Water Security
- Sustainable Agriculture
- Sustainable Packaging and Circular Economy
- Sustainable Livelihoods
- Sustainable Supply Chain and Responsible Sourcing
- Biodiversity
- Product Sustainability
- Human Rights
- Occupational Health and Safety
- Learning and Development
- Diversity and Inclusion
- Nutrition

Sustainability 2.0 Ambitions
Page 36

Transparency and Disclosures

ITC's Sustainability Report
Aligned to GRI Standards, Integrated Reporting Framework

ITC's Business Responsibility & Sustainability Report (BRSR)
Aligned to SEBI's Framework

ESG Frameworks

Enablers

ESG and Sustainability Governance
For superior 'Triple Bottom Line' performance, ITC's Governance processes ensure that sustainability principles are embedded in business strategies and execution plans.

ITC-wide Sustainability Culture
ITC's long standing focus on 'Triple Bottom Line' and its strategy of 'Responsible Competitiveness' has embedded sustainability deep into the organisation's culture.

ITC's Sustainability Centres of Excellence
Over the last two decades, combining deep-rooted insights, perspectives and on-ground managerial expertise with meaningful collaborations and partnerships, ITC has created internal centers of excellence across critical areas like renewable energy, water stewardship, sustainable agriculture, inclusive business models and material sciences.

Partnerships and Collaboration
In order to drive systemic change, sustainable processes and create impact at scale, ITC leverages the power of partnerships and collaborations with relevant stakeholders.

Innovation and Digital
ITC's Life Sciences and Technology Centre (LSTC) works continuously to churn out game-changing, science-led innovative products and other business solutions. ITC's businesses are also deploying cutting-edge digital technologies for driving smart and sustainable impact.

Approach to Sustainability 2.0

Environmental Stewardship

Social Stewardship - Sustainable & Inclusive Growth

Annexures

Sustainability 2.0 Ambitions

Climate Change

🚩 50% of Total Energy from Renewable Sources — 2030

◎ **50%**
of Total Energy from Renewable Sources

○ **50%**

Target Achieved

🚩 100% Purchased Grid Electricity Requirements* from Renewable Sources — 2030

◎ **100%**
of Total Electrical Energy (Grid Purchased) from Renewable Sources

○ **52%**

On Track

🚩 **Goals - Coverage ITC Standalone**

◎ **Target**

○ **Performance FY 23-24 against S2.0 targets reported on a standalone basis**

↑ **Decline in KPI**

↓ **Improvement in KPI**

This includes electricity sources except onsite power from co-generation plant

🚩 50% reduction in Specific GHG Emissions — 2030

◎ **50%**
reduction in GHG Emissions (Scope 1, 2) per Unit of Production
Baseline Year: 2018-19

○ **Paperboards & Specialty Papers Business:** 25%↓
Branded Packaged Foods Businesses 43%↓
Hotels 18%↓
FMCG Cigarettes 11%↓

On Track

🚩 30% reduction in Specific Energy Consumption — 2030

◎ **30%**
reduction in Energy Consumed per Unit of Production
Baseline Year: 2018-19

○ **Paperboards & Specialty Papers Business:** 11%↓
Branded Packaged Foods Businesses 25%↓
Hotels 12%↓
FMCG Cigarettes 6%↓

On Track

🚩 Sustain and enhance carbon sequestration by expanding forestry projects through ITC's Social and Farm Forestry programmes and other such initiatives — 2030

◎ **1.5 million acres**
Area under Social and Farm Forestry (million acres)

○ **1.16 million acres** (cumulative)

On Track

Water Stewardship

🚩 40% reduction in Specific Water Consumption — 2030

◎ **40%**
reduction in Water Consumed per Unit of Production
Baseline Year: 2018-19

○ **Paperboards & Specialty Papers Business:** 11%↓
Branded Packaged Foods Businesses 34%↓
Hotels 16%↓
FMCG Cigarettes 27%↓

On Track

🚩 Creation of Rainwater Harvesting Potential equivalent to over 5 times the Net Water Consumption from Operations — 2030

◎ **5X**
Ratio of Rainwater Harvesting Potential created and Net Water Consumed in Operations

○ **4X**

On Track

🚩 Improve Crop Water Use Efficiency in agri-value chains through Demand Side Management interventions — 2030

◎ **2,000 million kl**
Potential Water Usage Saved

○ **1,090 million kl**

On Track

🚩 All sites in High Water Stressed Areas are to be certified as per the International Water Stewardship Standard by AWS (Alliance for Water Stewardship) — 2035

◎ **8 sites by 2024 | All high-risk sites by 2035**
No. of AWS Certified Sites

○ **7 sites**
Food Factories in Malur (Karnataka) and Ranjangaon (Maharashtra), Cigarette factories in Bengaluru (Karnataka), Ranjangaon (Maharashtra) and Saharanpur (Uttar Pradesh), Green Leaf Threshing Unit in Mysuru (Karnataka) and Paper Mill at Kovai (Tamil Nadu) have received Platinum-level certification. Certification audit of other Units in progress

On Track

🚩 Ensure water security for all stakeholders through Watershed Development & managed Aquifer Recharge — 2030

◎ **2.2 million acres**
Watershed Area

○ **1.63 million acres** (cumulative)

On Track

◎ **50,000 nos.**
Water Harvesting Structures

○ **32,400** (cumulative)

On Track

◎ **60 million kl**
Storage Potential

○ **54.26 million kl** (cumulative)

On Track

Plastic Waste and Circular Economy

100% of Packaging to be Reusable, Recyclable or Compostable / Bio-Degradable `2028`

100%
of Plastic Packaging Utilised that is Recyclable, Reusable or Compostable / Bio-degradable

>99%
(less than 1% of Packaging Portfolio is Non- Recyclable or Hard to Recycle – Phase out plans in place).
ITC is also actively working to increase the collection and recycling rates for Multi-Layered Plastic (MLP) packaging waste by implementing replicable, scalable, and sustainable models of solid waste management#.

On Track

Sustain Plastic Neutrality (attained in FY 2021-22) by enabling sustainable management of waste over the amount of packaging utilised `Ongoing`

>100%
of Plastic Packaging Waste Sustainably Managed

>100%
Achieved & Sustained Plastic Neutrality from FY 2021-22

On Track

Sustainable Agriculture

Promote climate-smart village approach in core agri-business catchments `2030`

10,000 nos.
Climate Smart Villages
Baseline Year: 2016-17

6,755 nos.
Climate Smart Villages

On Track

Promote climate-smart agricultural practices `2030`

4 million acres
Area Covered
Baseline Year: 2016-17

2.79 million acres
Area Covered

On Track

Biodiversity Conservation

Revive and sustain Ecosystem Services provided by Nature and provisioning of products through adoption of Nature-based Solutions and Biodiversity Conservation `2030`

1 million acre
Area Covered
Baseline Year: 2016-17

0.47 million acre (cumulative)

On Track

Sustainable Livelihoods

Supporting Sustainable Livelihoods for 10 million people by 2030 `2030`

10 million
Sustainable Livelihoods supported

6 million

On Track

#ITC is currently in the process of aligning its recyclability definition with global frameworks and standards like the ones provided by Ellen MacArthur Foundation.

ITC's Corporate Governance Philosophy

Anchored on the values of trusteeship, transparency, ethical corporate citizenship, empowerment & accountability and control.

ITC believes that since large corporations employ societal and environmental resources, governance processes must ensure that they are utilised in a manner that meets stakeholders' aspirations and societal expectations. For superior Triple Bottom Line performance, ITC's Governance processes ensure that sustainability principles are embedded in its business strategies and execution plans.

ITC's Corporate Governance structure, systems and processes are based on two core principles:

1

Management must have the executive freedom to drive the enterprise forward without undue restraints, and

2

This freedom of management should be exercised within a framework of effective accountability.

The practice of Corporate Governance in ITC takes place at three interlinked levels:

I

Strategic Supervision
by the Board of Directors (the Board)

II

Strategic Management
by the Corporate Management Committee (CMC)

III

Executive Management
by the Chief Executives / Chief Operating Officers of Divisions, Strategic Business Units, Business Verticals and Shared Services, assisted by their respective Management / Executive Committees.

> ITC's governance framework enjoins the highest standards of ethical and responsible conduct of business to create value for all stakeholders.

📓 ITC's Report an Accounts 2024 ↗

📓 ITC's Corporate Website ↗

Strategic Supervision by the Board of Directors

Name	Designation
Mr. Sanjiv Puri	Chairman & Managing Director
Mr. Sumant Bhargavan	Executive Director
Mr. Supratim Dutta	Executive Director & Chief Financial Officer
Mr. Hemant Malik	Executive Director
Mr. Shilabhadra Banerjee	Independent Director
Mr. Hemant Bhargava	Independent Director
Ms. Alka Marezban Bharucha	Independent Director
Mr. Arun Duggal	Independent Director
Mr. Mukesh Gupta	Non-Executive Director
Mr. Rahul Jain	Non-Executive Director
Mr. Shyamal Mukherjee	Independent Director
Mr. Anand Nayak	Independent Director
Mr. Sunil Panray	Non-Executive Director
Ms. Nirupama Rao	Independent Director
Mr. Ajit Kumar Seth	Independent Director
Ms. Meera Shankar	Independent Director

Data as on 31.03.2024

Strategic Management

by the Corporate Management Committee Members

Name	Designation
Mr. Sanjiv Puri	Chairman & Managing Director
Mr. Sumant Bhargavan	Executive Director
Mr. Supratim Dutta	Executive Director & Chief Financial Officer
Mr. Hemant Malik	Executive Director
Mr. Sandeep Kaul	Group Head - India Tobacco Division, Matches and Agarbatti Business, Start Up-Ventures, LSTC & Quality
Mr. Anil Rajput	President, Corporate Affairs
Mr. S. Sivakumar	Group Head - Agri & IT Businesses, Sustainability & CSR and Chairman of the Management Committee of the Social Investments Programme
Mr. R. K. Singhi	Secretary to the Corporate Management Committee

Data as on 31.03.2024

Executive Management

by the Chief Executives / Chief Operating Officers of Divisions, Strategic Business Units, Business Verticals and Shared Services, assisted by their respective Management / Executive Committees

Business Divisions	Name	Designation
India Tobacco Division	Mr. Devraj Lahiri	Divisional Chief Executive
Foods Division	Mr. Hemant Malik	Divisional Chief Executive
	Mr. Sanjay Singal	Chief Operating Officer - Dairy & Beverages
	Mr. Ali Harris Shere	Chief Operating Officer - Biscuits & Cakes
	Ms. Kavita Chaturvedi	Chief Operating Officer - Snacks, Noodles & Pasta
	Mr. Anuj Kumar Rustagi	Chief Operating Officer - Staples & Adjacencies
	Mr. Rohit Dogra	Chief Operating Officer - Chocolates, Coffee, Confectionery & New Category Development
Personal Care Products Division	Mr. Sameer Satpathy	Divisional Chief Executive
Education and Stationery Business	Mr. Vikas Gupta	Divisional Chief Executive
Matches and Agarbatti Business	Mr. Gaurav Tayal	SBU Chief Executive
Hotels Division	Mr. Anil Chadha	Divisional Chief Executive
Packaging and Printing Business (PPB)	Mr. S. N. Venkatraman	SBU Chief Executive
	Mr. Rajesh Kumar Ponnuru	Chief Operating Officer - PPB
Agri Business (including Agri Business SBU)	Mr. Rajnikant Rai	Divisional Chief Executive and SBU Chief Executive - Agri Business SBU
	Mr. S. Ganesh Kumar	Chief Operating Officer - Agri Business SBU
Agri Business - Tobacco SBU	Mr. H. N. Ramaprasad	SBU Chief Executive
Paperboards and Specialty Papers Division	Mr. Vadiraj Kulkarni	Divisional Chief Executive
Trade Marketing & Distribution (TM&D) of ITC FMCG	Mr. Sandeep Sule	Chief Executive Officer - TM&D
Life Sciences & Technology Centre	Dr. Suresh Ramamurthi	Chief Scientist & Head of Corporate R&D (LSTC)
Central Projects Organisation (CPO)	Mr. Sandeep Chandrashekar	Head - CPO

Note: Reference to Division includes Strategic Business Unit, Business Vertical and Shared Services

Data as on 31.03.2024

🔖 **Divisional Management Committees** ↗

Governance structure

- ⭐ **Board of Directors**
- 💟 **CSR and Sustainability Committee**
- 🔳 **Audit Committee**
- 🏛 **Nomination & Compensation Committee**
- 🔗 **Securityholders Relationship Committee**
- 🕐 **Independent Directors Committee**
- △ **Corporate Management Committee**

Divisional Management Committee
Businesses include: FMCG, Hotels, Paperboards & Specialty Papers, Paper & Packaging, and Agri Business

Corporate Functions Including
Planning & Treasury, Accounting, Taxation, Risk Management, Legal, Secretarial, Internal Audit, Sustainability, EHS, Human Resources, Social Investment Porgramme, Corporate Communications, Corporate Affairs and IT Support Services

Shared Services Including
Life Sciences & Technology, Central Projects Organisation and Trade Marekting & Distribution

The role, powers and composition of the Board, Board Committees and the CMC are available on the Company's corporate website.

🔲 **Company's Corporate Website ↗**

Board of Directors

The ITC Board is a balanced Board, comprising Executive and Non-Executive Directors. The Non-Executive Directors include independent professionals.

The primary role of the Board is that of trusteeship to protect and enhance shareholder value through strategic supervision of ITC and its wholly owned subsidiaries. As trustees, the Board ensures that the Company has clear goals aligned to shareholder value and its growth.

The Board sets strategic goals and seeks accountability for their fulfilment. The Board also provides direction and exercises appropriate control to ensure that the Company is managed in a manner that fulfils stakeholders' aspirations and societal expectations. The Board, as part and parcel of its functioning, annually reviews its role, and evaluates its performance and that of the Board Committees & the Directors. The Board, through the CSR and Sustainability Committee reviews, monitors and provides strategic direction to the Company's CSR and sustainability practices towards fulfilling its "triple bottom line" objectives. The CSR and Sustainability Committee approves the Sustainability Report of the Company.

Selection of Directors
The Corporate Governance Policy of the Company, inter alia, requires that Non-Executive Directors be drawn from amongst eminent professionals, with experience in business / finance / law / public administration and enterprises. The Nomination & Compensation Committee has laid down the criteria for determining qualifications, positive attributes and independence of Directors (including Independent Directors).

The Policy on Board Diversity of the Company requires the Board to have balance of skills, competencies, experience and diversity of perspectives appropriate to the Company. For this purpose, diversity is considered from a number of aspects including, but not limited to, educational & cultural background, nature of professional, administrative & industry experience, skills, knowledge, and gender representation. Further it is the Company's Policy for appointment as a Director on the Board that no person is discriminated based, inter alia, on the grounds of age, gender, gender identity, marital status, caste, race, colour, religion, ethnicity, sexual orientation, or any other personal or physical traits. **The skills, expertise and competencies of the Directors as identified by the Board, along with those available in the present mix of the Directors of the Company, are provided in the Company's Report and Accounts 2024.** The said skills, expertise and competencies include the ability to contribute towards creating an inspiring Vision for the Company with superordinate societal goals and appreciate the Company's Triple Bottom Line philosophy of building synergy between serving the society and creating economic value for the Company.

In terms of the applicable regulatory requirements read with the Articles of Association of the Company, the strength of the Board shall not be fewer than six nor more than eighteen. Directors are appointed / re-appointed with the approval of the Shareholders for a period of three to five years or a shorter duration, in accordance with retirement guidelines and as may be determined by the Board from time to time. All Directors, other than Independent Directors, are liable to retire by rotation, unless otherwise approved by the Shareholders.

In the opinion of the Board, the Independent Directors fulfil the conditions prescribed under the statute and are independent of the management of the Company.

Composition of the Board
The strength of the Board as on 31st March, 2024 was sixteen comprising the Chairman & Managing Director, three Executive Directors, nine Non-Executive Independent Directors, of which three are Women Directors, and three other Non-Executive Directors.

Composition of the Board as on 31st March, 2024:

25%
75%
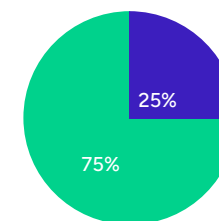
- 🟦 **04** Executive Directors
- 🟩 **12** Non-Executive Directors (including Independent Directors)

As on 31st March, 2024
18.75% of the total Board strength was represented by Women Directors
(as on date: 23.53%)

The details of the Directors, including their tenure and other Directorship(s) / Committee Membership(s) as on 31st March, 2024, were as follows:

Director	Category	No. of other Directorship(s)[1]	Tenure on the Board (years)[2]	No. of Membership(s) / Chairpersonship(s) of Audit Committee / Stakeholders Relationship Committee of other Indian public limited companies
S. Puri	Chairman & Managing Director	5	8	Nil
S. Dutta	Executive Director & Chief Financial Officer	9	2	2 [also as Chairperson]
H. Malik	Executive Director	Nil	...	Nil
B. Sumant	Executive Director	2	5	Nil
S. Banerjee	Independent Director	Nil	10	Nil
H. Bhargava	Independent Director	4	2	3 [including 1 as Chairperson]
A. M. Bharucha (Ms.)	Independent Director	8	...	7 [including 4 as Chairperson]
A. Duggal	Independent Director	4	10	6 [including 2 as Chairperson]
S. Mukherjee	Independent Director	2	3	2 [including 1 as Chairperson]
A. Nayak	Independent Director	Nil	5	Nil
N. Rao (Ms.)	Independent Director	3	8	Nil
A. K. Seth	Independent Director	Nil	5	Nil
M. Shankar (Ms.)	Independent Director	4	10	4 [including 2 as Chairperson]
M. Gupta	Non-Executive Director *Representative of the Life Insurance Corporation of India as Investor*	2	2	1
R. Jain	Non-Executive Director *Representative of the Specified Undertaking of the Unit Trust of India as Investor*	5	...	3
S. Panray	Non-Executive Director *Representative of Tobacco Manufacturers (India) Limited, a subsidiary of British American Tobacco p.l.c., as Investor*	Nil	2	Nil

6 meetings of the Board were held during the year ended 31st March, 2024.

[1]Directorship(s) cover all companies including Indian and foreign companies.

[2]Tenure of the Directors has been computed on the basis of period served on the Board since their appointment. In case of Independent Directors, such period has been reckoned from the date from which their initial appointment was approved by the Shareholders of the Company under statute. Fractions, if any, have been rounded off.

Board Committees

Currently, there are five Board Committees – the CSR and Sustainability Committee, the Audit Committee, the Nomination & Compensation Committee, the Securityholders Relationship Committee and the Independent Directors Committee. The composition and the terms of reference of the Board Committees are determined by the Board from time to time, other than the Independent Directors Committee the terms of reference of which have been adopted as prescribed under the statute.

The role and composition of these Committees, including the number of meetings held during the financial year and the related attendance, are provided in the Company's Report and Accounts 2024.

Ethics and Integrity

The ITC Code of Conduct, as adopted by the Board, is applicable to the Directors, senior management and employees of the Company. The Code is derived from three interlinked fundamental principles viz., good corporate governance, good corporate citizenship and exemplary personal conduct in relation to the Company's business and reputation.

The Code covers ITC's commitment to CSR and sustainable development, concern for occupational health, safety and environment, a gender friendly workplace, transparency and auditability, legal compliance, avoidance of conflict of interest and the philosophy of leading by personal example. The Code is shared with all new employees at the time of joining the Company and a copy thereof is signed by them affirming compliance with the Code. In addition, all Directors and senior management affirm compliance with the Code on an annual basis. Further, the Code is also shared with the existing employees on a half yearly basis and their affirmation is taken to reinforce the Code and ensure its Company-wide implementation.

The Head of Human Resources (HR) of the respective Business / Head of Corporate HR, as applicable, has been authorised to address any queries from employees pertaining to the ITC Code of Conduct. Any violation of the Code by an employee renders the person liable for disciplinary action.

- ITC Code of Conduct ↗
- Corporate Governance at ITC ↗
- ITC Policies ↗
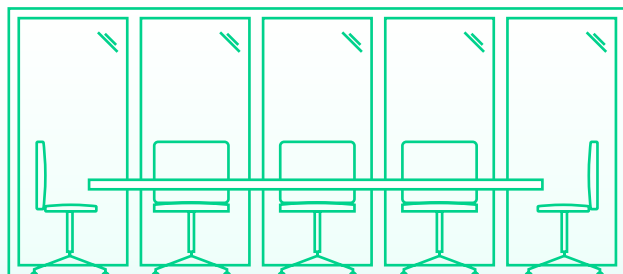
Chair of the highest governance body

Chairman

The Chairman is the Chief Executive of the Company. He is the Chairman of the Board and the CMC, and also presides over General Meetings of Shareholders.

His primary role is to provide leadership to the Board and the CMC for realising Company goals in accordance with the charter approved by the Board. He is responsible, inter alia, for the working of the Board and the CMC, for ensuring that all relevant issues are on the agenda and also that all Directors and CMC Members are enabled and encouraged to play a full part in the activities of the Board and the CMC, respectively. He keeps the Board informed on all matters of importance. He is also responsible for the balance of membership of the Board, subject to Board and Shareholder approvals.

The Company has a diversified business portfolio, which demands that the senior leadership has in-depth knowledge and understanding of the functioning of the Company, so as to enhance the value-generating capacity of the organisation and contribute significantly to stakeholders' aspirations and societal expectations. The Chief Executive is therefore generally chosen from amongst the executive management of the Company.

Performance of the highest governance body

ITC believes that a Board, which is well informed / familiarised with the Company and its affairs, can contribute significantly to effectively discharge its role of trusteeship in a manner that fulfils stakeholders' aspirations and societal expectations.

In pursuit of this, the Directors of the Company are updated on material changes / developments in the domestic / global corporate and industry scenario including those pertaining to statutes / legislations & economic environment and on matters significantly affecting the Company, to enable them to take well informed and timely decisions. The Directors are also kept abreast on all business-related matters including risk assessment & minimisation procedures, CSR & sustainability interventions, succession plans including management development processes, and new initiatives proposed by the Company. Induction programme is organised by the Company for the Non-Executive Directors joining the Board. Visits to Company facilities are also organised for the Directors from time to time.

The Nomination & Compensation Committee, as reported in earlier years, has formulated the Policy on Board evaluation, evaluation of Board Committees' functioning and individual Director evaluation, and also specified that such evaluation will be done by the Board on an annual basis. In keeping with ITC's belief that it is the collective effectiveness of the Board that impacts Company's performance, the primary evaluation platform is that of collective performance of the Board as a whole. Board

performance is assessed, inter alia, against the role and responsibilities of the Board as provided in the statute and the Company's Governance Policy.

The parameters for Board performance evaluation have been derived from the Board's core role of trusteeship to protect and enhance shareholder value as well as to fulfil expectations of other stakeholders through strategic supervision of the Company. These parameters include securing alignment of the Company's goals with the nation's economic, ecological and social priorities, ensuring that the Company has a clearly defined strategic direction for realisation of its vision, and supporting the Company's management to meet challenges arising from the operating & policy environment in the country.

Evaluation of functioning of Board Committees is based on discussions amongst Committee members and shared by the respective Committee Chairmen with the Board. Individual Directors are evaluated in the context of the role played by each Director as a member of the Board at its meetings, in assisting the Board in realising its role of strategic supervision of the functioning of the Company in pursuit of its purpose and goals. The parameters for performance evaluation of individual Directors, inter alia, include ability to provide thought leadership across the role spectrum, and contribution to Board cohesion, governance & organisational processes. The peer group ratings of the individual Directors are collated by the Chairman of the Nomination & Compensation Committee and made available to the Chairman of the Company.

Code of Conduct

Avoidance of Conflict of Interest

In terms of the ITC Code of Conduct, Directors, senior management and employees must avoid situations in which their personal interests could conflict with the interests of the Company. The Code, inter alia, clarifies that conflict of interest may arise when (a) an employee or a family member (family member includes spouse, children, siblings and parents) has a material interest in an entity that has a business relationship with the Company or is being evaluated for a commercial transaction, or (b) an employee is in a position to benefit someone with whom he / she has a close relationship, in relation to the Company's business. However, this is an area in which it is impossible to provide comprehensive guidance but the guiding principle is that conflict, if any, or any potential conflict must be disclosed to higher management for guidance and action as appropriate.

Further, where situations of conflict of interest arise, the same is required to be immediately brought to the notice of the Head of Finance and the Head of Human Resources (HR) of the respective Business / Chief Financial Officer and the Head of Corporate HR, as applicable. In such scenarios, apart from informing the relevant managers, the ITC Code of Conduct requires the concerned employee to maintain objectivity in his / her decision making, carry out rigorous due diligence, and always maintain the primacy of the Company's interests.

The Company also has a Whistleblower Policy which encourages Directors and employees to bring to the Company's attention, instances of illegal or unethical conduct, actual or suspected incidents of fraud, actions that affect the financial integrity of the Company, or actual or suspected instances of leak of unpublished price sensitive information, that could adversely impact the Company's operations, business performance and / or reputation.

The Company has robust systems and processes for redressal of grievances of various stakeholders such as Shareholders, employees, local communities, customers and value chain partners.

📖 **ITC's Report and Accounts 2024** ↗

Refer for more details on grievance mechanisms.

The Directors and Key Managerial Personnel are required to disclose to the Board whether they, directly or indirectly or on behalf of third parties, have material interest in any transaction or matter directly affecting the Company. Senior management is also required to confirm on an annual basis that no material transaction has been entered into by them which could have potential conflict with the interests of the Company at large; such disclosures and confirmations are placed before the Board on an annual basis.

All transactions of the Company with related parties and their subsequent modifications are approved by the Audit Committee in terms of the applicable regulatory provisions. Further, transactions with related parties which are not in the ordinary course of business or not at arm's length also require the approval of the Board or Shareholders, as applicable. Disclosures of related party transactions, as required, are made in the Company's Report and Accounts 2024, and also to the regulatory authorities on a half yearly basis.

Further, the Company has a code of conduct for prevention of insider trading in the securities of the Company. The ITC Code of Conduct for Prevention of Insider Trading – 2019, inter alia, prohibits trading in the securities of the Company by the Directors and employees while in possession of unpublished price sensitive information in relation to the Company.
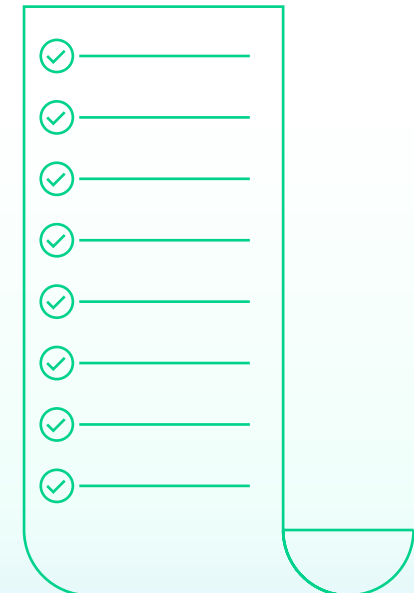
Remuneration Policy

ITC's Remuneration strategy is performance based, competitive and values led. It is designed to reward holistic performance that is in congruence with the Company's "triple bottom line" approach to business, to attract & retain high quality talent and is anchored on ITC's values, all of which are integral in pursuit of ITC's vision and mission of enhancing the wealth generating capability of the enterprise in a globalised environment, while delivering superior and sustainable stakeholder value.

It is the Company's Policy to encourage collective ownership and drive achievement of the Sustainability goals of the Company; such goals have been included as a factor in assessing Business performance, which, in turn, contributes in determining remuneration of the employees of the Company, including Executive Directors, Key Managerial Personnel and Senior Management.

The Company's Policy on remuneration of Directors, Key Managerial Personnel and other employees, as approved by the Board, may be accessed on its corporate website. The Board determines the remuneration of the Chairman, the Executive Directors, Key Managerial Personnel and Senior Management (i.e. CMC Members), on the recommendation of the Nomination & Compensation Committee. Further, the remuneration of the Chairman and the Executive Directors is subject to the approval of the Shareholders. Such remuneration is linked to the performance of the Company in as much as the performance bonus is based on various qualitative and quantitative performance criteria. Apart from fixed elements of remuneration and

benefits / perquisites, the Chairman, Executive Directors, Key Managerial Personnel and Senior Management are also eligible for Long Term Incentives, including Employee Stock Options, as may be determined by the Nomination & Compensation Committee and / or the Board; such incentives are linked to individual performance and the overall performance of the Company, including performance against Sustainability goals.

The aforesaid elements of compensation design facilitate alignment of the priorities of the Chairman, other Executive Directors, Key Managerial Personnel and Senior Management with the long-term interests of stakeholders.

There is no separate provision for payment of severance fee under the resolutions governing the appointment of the Chairman and other Executive Directors who have all been drawn from the management cadre. The statutory provisions will however apply.

Remuneration to Non-Executive Directors, including Independent Directors, is by way of commission for each financial year, which is determined by the Board within the limit approved by the Shareholders of the Company. The commission of Non-Executive Directors is based, inter alia, on Company performance and regulatory provisions and is payable on a uniform basis to reinforce the principle of collective responsibility. Non-Executive Directors are also entitled to coverage under Personal Accident Insurance and sitting fees for attending the meetings of the Board and its Committees, the quantum of which is determined by the Board.

The ratio of remuneration of the highest paid employee (i.e., the Chairman & Managing Director of the Company) to the median remuneration for FY 2023-24 was 401:1. During FY 2023-24, the total remuneration of the highest paid employee increased by 50% primarily due to payment of long term incentives during the year, while the median remuneration of employees increased by 5%; the average remuneration of employees during the year increased by 10%. The remuneration of Directors, Key Managerial Personnel and other employees is in accordance with the Remuneration Policy of the Company. For this purpose, 'remuneration' includes salary, performance bonus, long term incentives, allowances, contribution to the approved Provident Fund & Pension Funds, and other benefits / applicable perquisites borne by the Company, except contribution to approved Gratuity Funds and provisions for leave encashment which are actuarially determined on an overall Company basis. The term 'remuneration' has the meaning assigned to it under statute.

Anti-Competitive Behaviour

The Company does not engage in any anti-competitive behaviour. The Company expects the highest standards of ethical conduct in all its endeavours. In terms of the ITC Code of Conduct, the Company believes in conducting business in a transparent manner and does not indulge in bribery or corruption.

Further, in terms of the Company's Code of Conduct for Suppliers and Service Providers, all Suppliers and Service Providers of the Company are required:
→ to avoid any actual or potential conflict of interest in their business dealings with the Company that could create a perception of unfairness or lead to uncompetitive favours;
→ to disclose any such situation of conflict of interest, including involvement or interest of any employee of the Company or his / her immediate family members in their business;
→ not to indulge in any form of bribery or corruption that is intended to induce or reward improper conduct or influence any decision.

One legal proceeding under the Competition Act, 2002 is pending as follows:
The Competition Commission of India has registered two cases against 22 paper mills / paper manufacturing companies including the Company, on the allegation of simultaneous increase in prices of few varieties of paper. The increase in price was market led and mainly related to increased cost of wood pulp, the primary raw material. The Company is contesting the matter.

Basis legal advice, the Company believes that the aforesaid proceeding is without substance.

ESG and Sustainability Governance at ITC

For superior Triple Bottom Line performance, ITC's Governance processes ensure that sustainability principles are embedded in its business strategies and execution plans.

Sustainability Governance Structure

Board of Directors
Headed by Chairman & Managing Director

Board Committee on CSR and Sustainability
Headed by Chairman & Managing Director

Corporate Management Committee
Headed by Chairman & Managing Director

Sustainability Compliance Review Committee
Chaired by Group Head - Sustainability, and CMC Member

Divisional CEOs and Divisional Management Committees

Unit Level Responsibility
Sustainability Coordinators across Divisions

CSR and Sustainability Committee

The CSR and Sustainability Committee of the Board, inter alia, reviews, monitors and provides strategic direction to the Company's CSR and sustainability practices towards fulfilling its "triple bottom line" objectives. The Committee seeks to guide the Company in crafting unique models to support creation of sustainable livelihoods together with environmental re-generation. Formulation and monitoring of the CSR Policy, the Sustainability Policies and the annual CSR Action Plan, including making recommendation to the Board as necessary, form part of the role of the Committee. The Committee also reviews the Business Responsibility and Sustainability Report of the Company and recommends the same to the Board for adoption, and approves the Sustainability Report of the Company.

The CSR and Sustainability Committee comprises the Chairman of the Company and seven Non-Executive Directors, three of whom are Independent Directors. The Chairman of the Company is the Chairman of the Committee. The Company Secretary is the Secretary to the Committee. During the year, three meetings of the Committee were held, inter alia, to review the CSR and sustainability initiatives of the Company.

The names of the members of the Committee and the details of meetings held during the year are provided in the Company's Report and Accounts 2024.

📄 ITC's Report and Accounts 2024 ↗

Sustainability Compliance Review Committee (SCRC)

The Corporate Management Committee (CMC) has constituted the Sustainability Compliance Review Committee (SCRC), which presently comprises seven senior members of management, with its Chairman being a Member of the CMC. The role of the Committee, inter alia, includes monitoring and evaluating compliance with the Sustainability Policies of the Company and placing a quarterly report thereon for review by the CMC.

During the year, five meetings of the SCRC were held to review the sustainability performance of the Company.

Chief Sustainability Officer

The Chief Sustainability Officer (CSO) of the Company is, inter alia, responsible for periodic review of material issues, scanning the external environment for evolving sustainability trends and regulations, monitoring the progress on sustainability targets and facilitating the Businesses & Corporate Functions in implementing sustainability initiatives. The CSO reports to the Group Head of Sustainability who is also a CMC Member and the Chairman of the SCRC. The CSO provides progress report-backs on the Company's sustainability initiatives to the senior leadership at ITC.

Role of governance bodies in stakeholder engagement

ITC believes that an effective stakeholder engagement process is necessary for achieving its sustainability goal of inclusive growth. In this context, the Company has laid down a four layered mechanism to deal with the aspect of stakeholder engagement.

The Board of Directors of the Company, through the CSR and Sustainability Committee, reviews, monitors and provides strategic direction to the Company's CSR and sustainability practices towards fulfilling its "triple bottom line" objectives. Half-yearly reports on the progress made by the Company in this regard are placed by the CMC before the CSR and Sustainability Committee. The CMC in turn has constituted the SCRC which evaluates and monitors compliance with the Policies formulated in this connection. The SCRC places a quarterly report on the subject before the CMC.

Sustainability Policies

ITC has adopted a comprehensive set of Board approved Sustainability Policies that are being implemented across the organisation. These Policies are Policy on Stakeholder Engagement, Policy on Responsible Advocacy, Policy on Product Responsibility, Policy on Sustainable Supply Chain and Responsible Sourcing, Policy on Freedom of Association, Policy on Diversity, Equity and Inclusion, Policy on Prohibition of Child Labour and Prevention of Forced Labour at the Workplace, Policy on Environment, Health and Safety, Code of Conduct for Suppliers and Service Providers, Policy on Biodiversity Conservation, Policy on Deforestation, Policy on Resource Efficiency, Policy on Tax, and Policy on Animal Testing.

The aforesaid Policies are aimed at strengthening the mechanism of engagement with key stakeholders, identification of material sustainability issues and progressively monitoring and mitigating the impact along the value chain of each Business.

📄 ITC's Sustainability Policies ↗

Implementation

In line with ITC's sustainability roadmap, Businesses have adopted the Sustainability Policies and are implementing them. The overall responsibility for ensuring implementation of these Policies resides with the Divisional / Strategic Business Unit (SBU) Chief Executives and the Heads of Corporate Functions who work with their respective management teams. Various committees designated with specific responsibilities have also been constituted for operationalising the Sustainability Policies of the Company.
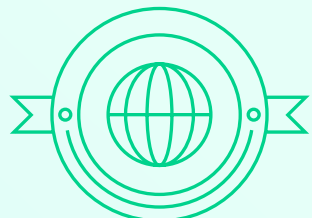
Value Creation Track Record of ITC

Non-Cigarette Businesses

Grown

>31x

since the turn of the millennium
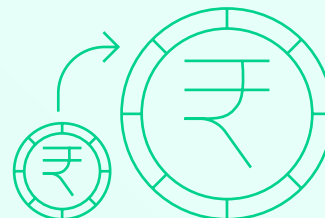*(constituting about two-thirds of Net Segment Revenue)*

25 World Class Indian Brands

Annual consumer spends nearly

₹325 billion
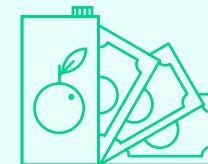
and reach over 250 million households in India

Shareholder returns

CAGR

~19.9%

p.a. in last 2 decades

EBITDA margin expansion in FMCG - Others Segment

560 bps

over the last five years

Creating Sustained Economic Value

The Company's 'Triple Bottom Line' philosophy has over the years spurred the creation of innovative business models that synergise the building of economic, environmental, and social capital. The superordinate goal of serving larger national priorities and creating value for all stakeholders has evolved into a new paradigm, 'Responsible Capitalism,' that focusses on responsible competitiveness in a manner that replenishes the environment and supports sustainable livelihoods.

The Strategic Vision of creating multiple drivers of growth through the pursuit of market opportunities that best match institutional strengths has resulted in the development of strong Businesses of the future anchored on a portfolio of purpose-led brands, future-ready products, and world-class quality.

The Company is actively pursuing its bold Sustainability 2.0 ambitions, which include multi-dimensional interventions in decarbonisation, building green infrastructure, scaling up carbon sequestration, promoting climate-smart and regenerative agriculture, restoring biodiversity through nature-based solutions, enhancing water stewardship, creating an effective circular economy and sustainable packaging solutions, building climate resilience and adaptive capacity of value chains, and developing inclusive value chains that support 10 million livelihoods. With its bold Sustainability 2.0 ambitions, the Company is setting the bar even higher and remains committed to making a meaningful contribution across all three sectors of the economy – Agri, Manufacturing, and Services, while retaining its status as a sustainability exemplar.

ITC aims for

Strengthening its position as one of India's most valuable corporations

Achieving leadership in each of the business segments within a reasonable time frame

Achieving a Return on Capital Employed (ROCE) in excess of the Company's cost of capital, at all times
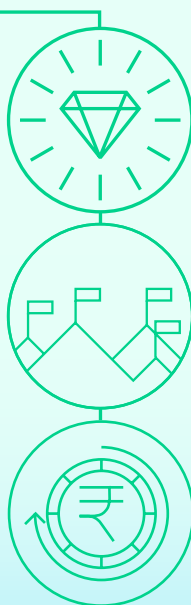
Key Developments and Outlook

The global economy witnessed another year of deceleration in growth to 3.2% in 2023 (vs.3.5% in 2022), with the slowdown being largely attributable to Advanced Economies, particularly the Euro Area and UK, and structural weakness in the Chinese economy. The recent conflict in the Middle East, extreme weather events, and the overlapping shocks of the past four years–the COVID pandemic, Russia-Ukraine conflict, unprecedented inflation, and subsequent sharp increase in interest rates– have rendered the global macroeconomic environment highly uncertain and volatile.

India remained a relatively bright spot amidst the global slowdown, recording robust Real GDP growth of 7.6% in FY 2023-24. Growth was primarily driven by Fixed Investments, led by the Government's thrust on infrastructure creation and household investments in real estate. Private Consumption, on the other hand, grew by 3.0%-its slowest pace in two decades. The weakness in consumption was reflected, inter alia, in the muted volume growth of the FMCG sector (FY 2023-24 volume growth appx. 3% vs. 7% p.a. average in the pre-pandemic period). While the Industry and Services sectors grew by 9.0% and 7.5%, respectively, growth in the Agri sector slowed to 0.7%, with adverse weather events impacting harvests.

The Company delivered a resilient performance during the year amidst a challenging macroeconomic and operating environment.

→ The **FMCG-Others** segment turned in a strong performance against the backdrop of weak demand conditions and a significant increase in competitive intensity from regional and local players. Sustained margin expansion on the back of premiumisation, delayering operations, agile cost management, and judicious pricing actions led to robust growth in operating profits.

→ The **FMCG-Cigarettes** segment witnessed consolidation on a high base after a period of sustained growth momentum. Market standing was reinforced through focussed portfolio / market interventions and agile execution. Differentiated variants and premium segments performed well.

→ The **Hotels** Segment delivered a stellar performance, clocking record highs in Revenue and Profits. Strong growth in RevPar was driven by retail, MICE (Meetings, Incentives, Conferencing, Exhibitions), and marquee events hosted in the country.

→ With the Government having to impose stock limits and restrictions on agri-commodity exports to ensure food security and control inflation, the **Agri-Business** had limited business opportunities during the year in the bulk commodities space. However, the strategic portfolio of value-added agri-products recorded strong growth, while the overall leaf tobacco business continued to perform well.

→ The **Paperboards, Paper, and Packaging** Segment had to contend with soft domestic and export demand conditions that significantly depressed net realisations, cheap Chinese supplies in international markets, an unprecedented escalation in domestic wood costs, and a high base effect. Structural advantages of the integrated business model, Industry 4.0 initiatives, strategic investments in High-Pressure Recovery Boiler and proactive capacity augmentation in Value-Added Paperboards aided in partly mitigating pressure on margins.

ITC Financial performance*

For FY 2023-24, Gross Revenue and EBITDA stood at ₹694.46 billion and ₹244.79 billion, respectively. Profit Before Tax and Exceptional items, at ₹ 263.23 billion, grew by 6.7% over the previous year. The Company reassessed its provisions relating to uncertain tax positions for earlier years based on a favourable order of the Honourable Supreme Court received during the year, which resulted in a credit of ₹4.68 billion in the Current Tax expense for the year. Profit After Tax grew by 8.9% to ₹204.22 billion (the previous year ₹187.53 billion). Total Comprehensive Income for the year stood at ₹227.03 billion (the previous year ₹187.83 billion). Earnings Per Share for the year stood at ₹16.39 (the previous year ₹15.15).

Snapshot

Key Economic Indicators (₹ billion)	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
Total Income	498.21	517.76	623.35	726.89	736.44
Profit Before Interest and Taxes (PBIT)	192.23	172.12	198.71	247.19	263.69
Cost of Bought out Goods and Services	232.47	251.02	326.76	369.12	343.76
Employee Benefits Expense	26.58	28.21	30.62	35.69	37.32
Payments to Providers of Capital	151.92	130.79	151.00	188.16	204.68
- Dividend / Interest to Providers of Capital	125.32	132.78	142.13	192.97	172.09
- Retained Profits	26.59	(1.99)	8.86	(4.81)	32.59
Financial Assistance received from the Government due to be paid *(Outstanding Balance of Deferred Sales Tax for Paperboards and Specialty Papers Division (PSPD), by State of Andhra Pradesh - interest-free deferral period of 14 years)*	0.08	0.06	0.05	0.05	0.03
Financial Assistance received from the Government *(on account of fiscal and export incentives etc.)*	1.20	0.43	2.59	3.01	2.37

* A comprehensive discussion on the significant socioeconomic, environmental, regulatory and macroeconomic factors that constitute the external environment in which ITC's multiple businesses operate and the impact of these factors on ITC's ability to create value is presented in the 'Report of the Board of the Directors and Management Discussion and Analysis' section forming part of ITC's Report and Accounts 2024.

Total Assets and Returns

The net capital employed stood at ₹743 billion as of March 31, 2024 (previous year ₹692 billion), generating a profit before interest and taxes (PBIT) of ₹264 billion (previous year ₹247 billion).

ITC's diversified portfolio of businesses, positions it to contribute meaningfully to the growth and development of the country, spanning across all three sectors of the economy: Agriculture, Manufacturing, and Services. The Company's interventions across operating segments are aligned with the national priorities of enhancing the competitiveness of Indian agriculture and industry, generating large-scale employment opportunities and supporting sustainable livelihoods, driving import substitution, creating national brands to maximise value capture in India, accelerating tourism growth, increasing Indian agri-exports, and promoting sustainable business practices. Investments made by the Company continue to be guided by the national objectives of 'Make in India' and 'Doubling Farmers' Income' and the overarching theme of 'Aatma Nirbhar Bharat' that seeks to make the country stronger, more resilient, and more competitive.

In recent years, the strategy concerning the Hotels Business has been reset to pursue an 'asset-right' growth path and augment revenue streams while simultaneously leveraging the Company's world-class properties and iconic cuisine brands to drive growth.

Net Capital Employed and PBIT

(₹billion)

	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
Net Capital Employed	657	607	631	692	743
PBIT	192	172	199	247	264

■ *Net Capital Employed* —○— *PBIT*
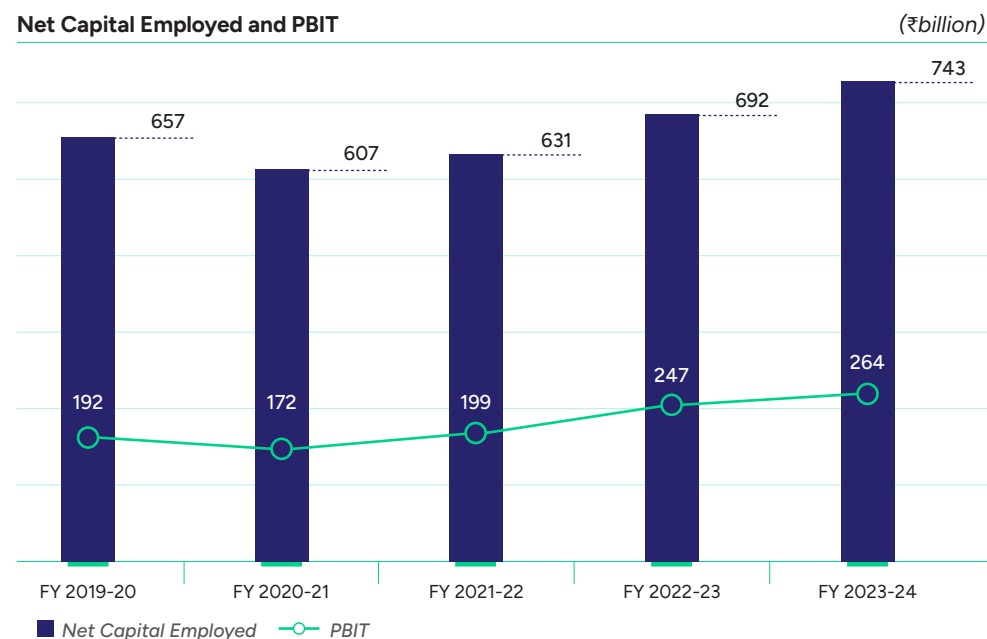
Shareholder Returns and Earnings Per Share

Since the turn of the millennium, ITC's non-cigarette businesses have grown over 31-fold and presently constitute about two-thirds of Net Segment Revenue. Earnings Per Share stood at ₹16.39 for FY 2023-24 (the previous year ₹15.15). Total Shareholder Returns, measured in terms of increases in market capitalisation and dividends, have grown at a compound rate of 19.9% per annum in the last two decades, placing the Company among the foremost in the country in terms of the efficiency of servicing financial capital.

Earnings Per Share (EPS)   (₹)

FY 2019-20	FY 2020-21*	FY 2020-21*	FY 2022-23	FY 2023-24
12.33	10.59	12.22	15.15	16.39
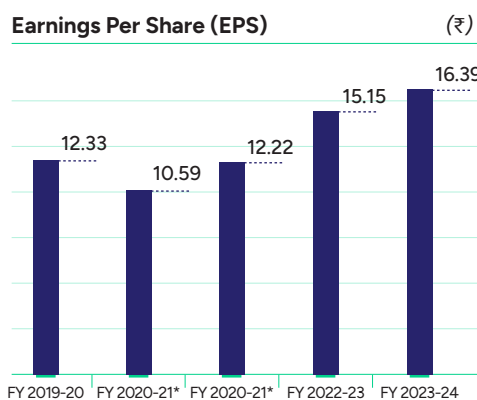
Financials for FY 2021-22 & FY 2021-22 were impacted by unprecedented disruptions in certain operating segments of the Company due to the COVID-19 pandemic*

Value Addition and Contribution to the National Exchequer

Over the last five years, ITC's value addition, i.e., the value created by the economic activities of the Company and its employees, aggregated over ₹2920 billion, of which over ₹1940 billion accrued to the Exchequer. Including the share of dividends paid and retained earnings attributable to Government institutions, ITC's contribution to the Central and State Governments represented appx. 74% of its Value-Added during the year. **ITC remains amongst the Top 3 Indian corporates in the private sector in terms of Contribution to the Exchequer.**

ITC is amongst

Top 3

Indian corporates in the private sector in terms of Contribution to the Exchequer

Dividend

Final Dividend of ₹7.50 per Ordinary Share for the financial year ended March 31, 2024 (previous year: Final Dividend of ₹6.75 per Ordinary Share and Special Dividend of ₹2.75 per Ordinary Share) has been recommended by the Board of Directors.

Together with the Interim Dividend of ₹6.25 per Ordinary share (previous year ₹6.00 per Ordinary share), the total Dividend for the financial year ended March 31, 2024, amounts to ₹13.75 per Ordinary share (previous year: ₹12.75 per Ordinary Share and the Special Dividend of ₹2.75 per Ordinary Share).

Interim and Proposed Dividend   (₹billion)

FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
125	132	142	158 / 34	172

■ Ordinary Dividend   ■ Special Dividend
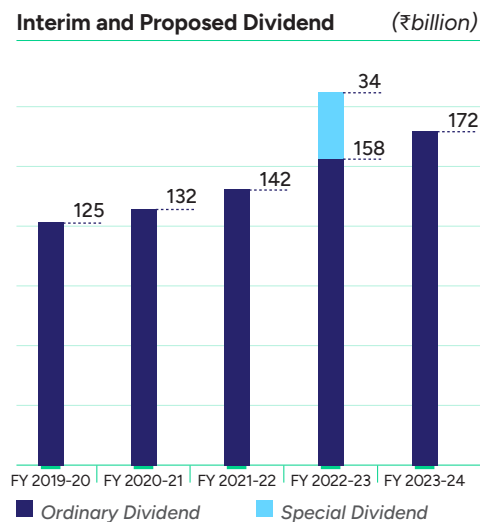
Employee Benefits

The employees are entitled to retirement benefit schemes which include employee pensions, provident funds, and gratuities. All statutory payments, as applicable, e.g., Provident Fund and Family Pension contributions, are deposited with the Government on time. The pension plans and other applicable employee benefits obligations are determined and funded in accordance with an independent actuarial valuation. The assets of the trust funds are well diversified, and investments are made within the prescribed statutory pattern to protect capital and optimise returns within acceptable risk parameters.

The Company is committed to enhancing gender diversity and the participation of the differently abled in the workforce. The Company's policy on Diversity, Equity, and Inclusion articulates and institutionalises this conviction. The Company's endeavour to enhance Diversity, Equity, and Inclusion is founded on the conviction that a diverse workforce contributes to rich discourse, promotes holistic perspectives, fosters creative solutions, and is integral to serving customers better while creating value for all stakeholders.

Human Capital Investment   (₹billion)

	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
Salaries & Wages	22	24	26	29	32
Workmen & Staff Welfare	2	2	2	2	2
Contribution to Provident and Other Funds	2	2	2	3	3

■ Contribution to Provident and Other Funds   ■ Workmen & Staff Welfare   ■ Salaries & Wages
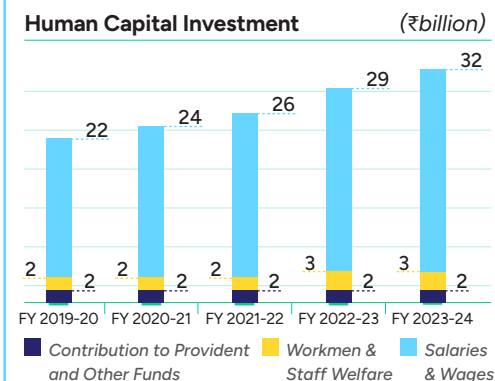
Climate change is a reality, and the world is at the receiving end of its debilitating impacts. In developing and emerging economies such as India, which have a higher share of vulnerable populations, climate risks are even more pronounced. The global call for concerted efforts needs to match on-ground implementation to cap global warming within safe levels.

Quicker responses to mitigate the imminent and future effects of climate change and strategies to adapt to the newer environmental realities are the mainstays of responsible enterprises, governments, and societies alike. Conscious actions and attention need to be directed towards issues such as water security, sustainable and regenerative agriculture, and scientific waste management, among others.

Inside this section

Environmental Stewardship

Environmental Management

Policies

ITC is guided by a comprehensive set of policies approved by its Board. These policies outline the Company's commitment to high standards of environmental stewardship. They also provide the necessary framework to address the direct environmental impacts of the Company's operations as well as progressively extend the efforts to ITC's supply chain.

Practice

In line with ITC's sustainability roadmap, Businesses are moving ahead in a phase-wise manner to implement the aforementioned policies. The overall responsibility for ensuring the implementation of Policies and Standards on environmental performance rests with the Divisional / Strategic Business Unit's (SBU) Chief Executives, who work with their respective management teams. Various committees designated with specific responsibilities have also been constituted for operationalising the Sustainability Policies.

The Corporate Sustainability department is responsible for reviewing and updating corporate standards, verifying compliance, and providing guidance and support as required. The progress and compliance of different businesses against the agreed roadmap are reviewed regularly by the Sustainability Compliance Review Committee (SCRC), constituted by the Corporate Management Committee (CMC).

In line with its Sustainability 2.0 ambitions, ITC's Businesses have targets for key specific performance indicators like energy consumption, greenhouse gas emissions, water intake, and packaging, amongst others. These targets are also integrated with the Annual Performance Cycle of the Divisions.

Training and Capacity Building

All ITC units have established management systems, which entail regular monitoring of environmental KPIs, the development of an environmental management plan, and regular review of progress to ensure that businesses are on track concerning the agreed roadmap. In pursuit of its EHS Policy commitments, the Company has established management systems certified by accredited agencies in line with international standards like ISO 14001 and OHSAS 18001. An integrated sustainability database management system implemented across the Company ensures monitoring and reviewing of sustainability performance through defined key performance indicators. Standard operating procedures are in place to define, collate, and support audits of data to ensure accuracy and verifiability. Furthermore, the Company continues to focus on raising internal and external stakeholders' awareness of environmental management through ongoing training programmes. Some of the aspects covered as part of training programmes carried out during the year include:

→ Alliance for Water Stewardship Standard
→ Climate Risk Management
→ Nature and Biodiversity Risk Management
→ Life Cycle Assessments
→ Environment, Health and Safety Management
→ Sustainable Supply Chain and Human Rights

In FY 2023-24, 24,567 employees and 12,745 workers were given formal training on various sustainable development aspects, including sustainability, health, and safety, provided to employees across the Company. Additionally, 100% of the identified Critical Tier-1 suppliers received training on aspects like environmental compliance, fair business practices, corporate governance and ethics, occupational health and safety, fair labour practices, and human rights.

Climate Change

In 2023, for the first time since the pre-industrial period, the Earth experienced an increase in average global temperature exceeding 1.5 degrees Celsius over 12 months (EU Copernicus Climate Change Service). Rising temperatures are leading to an increase in the frequency and severity of extreme weather events, which are expected to get worse with GHG emissions, which continue to grow unabated. For instance, India experienced an extreme weather event in one or more parts of the country for 318 out of 365 days in 2023 (Centre for Science and Environment). With 2023 also holding the record for the highest energy-related CO_2 emissions so far (IEA), these developments underscore the pressing need to combat climate change with coordinated efforts from all stakeholders. For industry, this implies accelerating their decarbonisation journey as well as building climate resilience through localised climate risk assessments and adaptation strategies.

ITC's operations, including factories, warehouses, and hotels, are spread across the country and have a dependence on agri- and forestry-based value chains for sourcing key raw materials. Accordingly, the Company's approach focusses on the mitigation of both transitional and physical climate risks. Effective climate risk management also offers opportunities for ITC to become a future-ready climate-resilient organisation.

ITC is pursuing a multi-pronged climate strategy as part of its Sustainability 2.0 vision. This strategy addresses transition risks through extensive decarbonisation across the value chain and physical risks through a comprehensive climate risk management approach for identifying vulnerable sites across the value chain and the implementation of locally contextual adaptation plans for these sites.

Highlights

Significant increase in renewable energy share from 43% last year to

50%

in FY 2023-24

Overall installed capacity of

205 MW

of Renewable energy assets across India
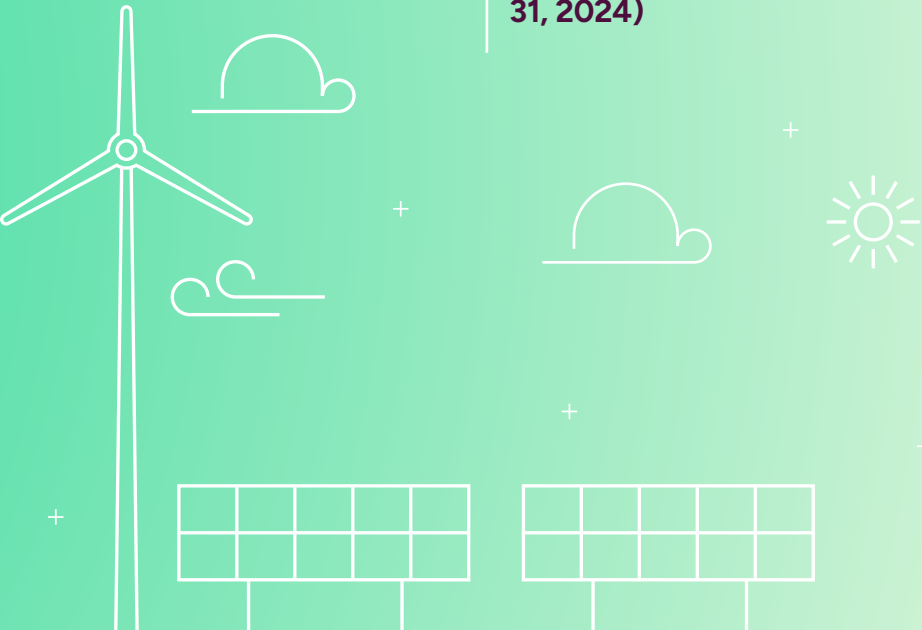
40 buildings

of the Company are Platinum-rated green buildings by USGBC-LEED / IGBC (as of March 31, 2024)

12 hotels +
1 data center

are certified as LEED® Zero Carbon buildings (as of March 31, 2024)

16 ITC Units

met more than 90% of their electrical energy requirements from renewable sources in FY 2023-24

~100% renewable electricity consumption at Bollaram Paper Mill

More than 1 million acres greened with more than

120,000 acres

of plantation being added during the year that resulted in:

~5.67 million tonnes CO_2

sequestered

140+

locations assessed using the latest climate models to understand the extent of physical risks from climate change for identifying vulnerable sites. Detailed location-specific climate risk studies and adaptation planning are in progress for high-risk locations.

Approach to Sustainability 2.0

Environmental Stewardship

Social Stewardship - Sustainable & Inclusive Growth

Annexures

Transitioning to a Low Carbon Economy: Decarbonisation Across the Value Chain

In FY 2023-24, ITC completed a baseline study to understand its GHG footprint across the entire value chain. The study has enabled the identification of emission hotspots, their contribution to ITC's overall footprint, and thus guiding transition strategy

Own Operations   **Value Chain Emissions**

Scope 1,2	Scope 3

~10% of ITC's Emissions

~90% of ITC's Emissions

~55% ITC's Emissions   **~20%** ITC's Emissions   **~5%** ITC's Emissions   **~5%** ITC's Emissions   **~5%** ITC's Emissions

Fuel, Electricity Utilised in Manufacturing, Hotels
→ Investment in energy efficiency measures
→ Accelerated adoption of renewable energy
→ Building future-ready green infrastructure with low energy and emissions attributes

Agriculture
→ Promotion of sustainable and regenerative agriculture across key agri-value chains
→ Large-scale forestry programme that sequesters carbon

> Page 65

Sustainable and Climate Resilient Agriculture

Logistics
→ Adoption of Electric Vehicles, where suitable
→ Greening logistics by optimising 'distance-to-premises' in upstream and 'distance-to-market' in downstream

Packaging
→ ITC's Sustainable Packaging Strategy

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Towards Circularity

Third-Party Manufacturing
→ For third-party manufacturers, ITC is working towards facilitating the adoption of cleaner technologies

Other emissions like waste, product-related
→ Sustainably managing post-consumer plastic packaging waste
→ LCA-driven (Life cycle assessments) innovation for reducing the product carbon footprint

Adapting to Climate Change: Building Resilience Across the Value Chain

Physical Assets

1 Climate risk assessments using the latest AI-enabled climate models to understand future risks across different scenarios and time horizons for identifying high-risk / vulnerable sites

2 Detailed site and hazard-specific risk assessments for developing locally contextual adaptation plans across vulnerable locations

Agri-Value Chains

1 Regenerative and climate-smart agriculture programmes

2 Detailed farm-level climate risk and vulnerability studies

3 Integration of early warning systems and weather advisories, region and crop-specific adaptation strategies within regenerative and climate-smart agriculture programmes

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Transitioning to a Low Carbon Economy: Decarbonisation Across the Value Chain

Governments around the world are actively working towards transitioning their economies to a low-carbon state, and India is no exception. India has significantly enhanced its Nationally Determined Contributions (NDC), which includes even more ambitious renewable energy targets and transitioning to Net Zero by 2070. Over the last few years, the Indian Government has introduced various policies such as the Indian Compliance Carbon Market, Green Credits Program, National Green Hydrogen Mission, FAME Scheme (Faster Adoption & Manufacturing of Electric Vehicles), and schemes for Viability Gap Funding (VGF) for new technologies such as offshore wind and battery storage. These policies would enable accelerated decarbonisation of Indian industries, including value chains.

ITC, through its ambitious Sustainability 2.0 commitments, is well positioned to address the Net Zero challenge. The Company is focusing on enhancing its understanding of value chain emissions and identifying appropriate levers for facilitating the Net Zero transition. ITC's large-scale value chain decarbonisation programmes are a testament to this commitment.

Decarbonising Own Operations

FY 2023-24 Performance
Energy
During the year, ITC Units consumed 26,383 Terra Joules (TJ) of total energy, with 50% of that energy being sourced from renewable sources, thereby achieving its 2030 S2.0 target seven years in advance.

Breakup of ITC's Total Energy Consumption

Non Renewable

■ Coal	41%
■ Residual Fuels	2%
■ Gaseous Fuels	2%
■ Others Fossil	5%

Renewable

■ Biomass	45%
■ Captive Renewable Electricity	4%
■ Purchased Renewable Energy	1%

Non Renewable **50%**   Renewable **50%**

GHG Emissions: Scope 1,2
(in kilo tonnes of CO_2e)

	FY 2022-23	FY 2023-24
Scope 2	241	242
Scope 1	1,355	1,146
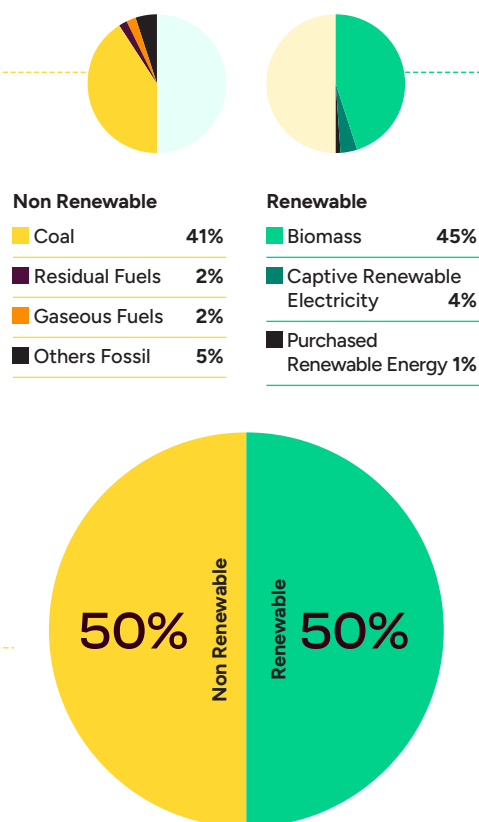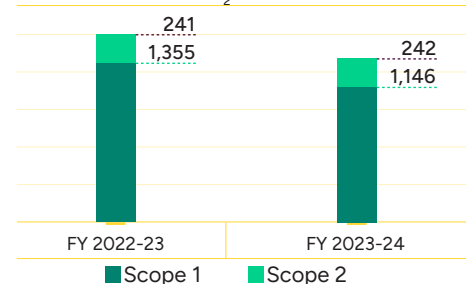
■ Scope 1 ■ Scope 2

Greenhouse Gas (GHG) Emissions
For FY 2023-24, ITC's Scope 1 and Scope 2 emissions (market-based) are 1,146 kilo tonnes of CO_2e and 242 kilo tonnes of CO_2e, respectively. In addition, location-based Scope 2 emissions, which exclude the contribution of purchased renewable electricity, are 262 kilo tonnes of CO_2e. The reduction in emissions compared to last year is due to the increase in the share of renewable energy in the total energy mix. Additionally, ITC's Scope 1 and Scope 2 emissions from biogenic sources are 1,161 kilo tonnes of CO_2e and 20 kilo tonnes of CO_2e, respectively.

Managing GHG Emissions
Managing Scope 1 and 2 emissions requires investment in energy efficiency, adoption of renewable energy, and building green infrastructure with low energy and emissions attributes.

Energy Conservation Measures
ITC Units focus on energy efficiency through process improvements, and investing in low-carbon technologies. Over the years,

ITC has taken major measures like the installation of Vapour Absorption Machines (VAM), automation of HVAC tube cleaning systems, and the installation of energy-efficient equipment such as boilers, chillers, AHUs, motors, fans, pumps, and agitators. In FY 2023-24, investments in energy conservation equipment resulted in savings of ~500 TJ, equivalent to more than 50,000 tonnes of CO_2e emissions.

Renewable Energy Adoption
Over the years, ITC has been investing in renewable energy projects for both renewable electricity and renewable thermal requirements. In FY 2023-24, ITC's renewable energy consumption has seen a significant jump of 15%, while the total energy consumed is similar to last year. This is primarily due to:
→ Stabilisation of the recently commissioned High-Pressure Recovery Boiler (HPRB) at the Bhadrachalam Paper Mill has led to an increase in the energy recovered from black liquor, thereby increasing the share of renewable energy
→ Accelerated adoption of biomass boilers across the Foods Business
→ Augmentation of renewable electricity assets with the commissioning of two offsite solar power plants of capacity 13.5 MWp in Uttar Pradesh and 14.5 MWp in Karnataka, respectively, thereby increasing the cumulative installed capacity of renewable electricity plants to 205 MW.

Fueling ITC's Growth with Green and Clean Renewable Energy

ITC has been a pioneer in the adoption of renewable energy technologies to meet its energy requirements. In the last 15 years, it has traversed an incredible journey of greening its operations by continuously expanding its renewable energy portfolio. A few milestones are listed below:

2004 — ITC Green Centre, Gurugram - Largest LEED Platinum® rated building in the world

2008 — First **14 MW** Wind Mill commissioned in Tamil Nadu

2009 — Green boiler commissioned at Bhadrachalam Paper Mill

2010 — **21 MW** Wind Mill installed in Karnataka

2012 — First Onsite Solar Plant at ITC Green Center, Manesar

2014 — **46 MW** Wind Mill commissioned in Andhra Pradesh

2021 — First **13.8 MW** Offsite Solar Plant installed in Tamil Nadu

2021 — High Pressure Recovery Boiler commissioned in Bhadrachalam

2022 — World's First **12** LEED® Zero Carbon Hotels

2023 — **5** Biomass Boilers Commissioned across Foods Business

2024 — **205 MW** Installed Renewable Electricity Assets till date

2024 — ITC achieves **50 %** Renewable Share in Total Energy Consumption

Between FY 2018-19 and FY 2023-24, while the scale of ITC's operations has grown multifold, marked by the addition of new manufacturing sites and a significant increase in production, ITC's renewable energy consumption has increased by ~40% within the same period despite phenomenal growth. This is primarily due to massive investments in green boilers in paper mills, the use of biomass boilers to meet the thermal energy demand, and the continuous augmentation of renewable electricity assets such as onsite solar and offsite solar / wind to meet the electrical energy demand. Consequently, the share of renewable energy in total energy consumption has risen from 41% in FY 2018-19 to 50% in FY 2023-24, thereby achieving the 2030 S2.0 target of 50% renewable energy share, seven years in advance.

Increasing Share of Renewable Energy (RE) in Total Energy Consumption *(TJ)*

Bar chart with RE% values: FY 2018-19: 41%, FY 2019-20: 41%, FY 2020-21: 41%, FY 2021-22: 42%, FY 2022-23: 43%, FY 2023-24: 50%

Legend: Total Energy | Renewable Energy | RE%

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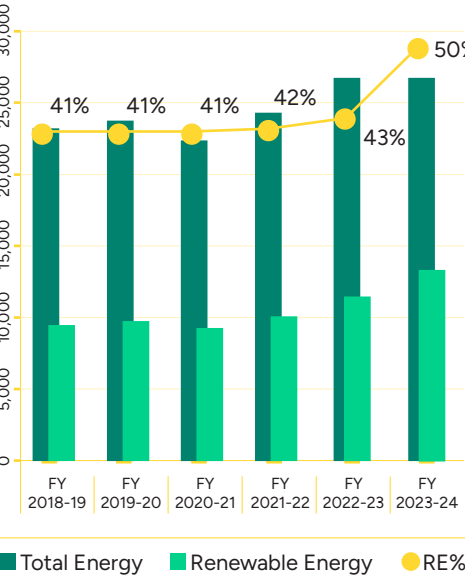
Sustainability 2.0 Targets: Renewable Energy and GHG Emissions[1]

As part of its Sustainability 2.0 vision, ITC is targeting a 50% share of renewables in total energy, 100% of purchased grid electricity requirements from renewable sources by 2030, a 30% reduction in Specific Energy Consumption by 2030 (FY 2018-19 baseline), and a reduction of 50% in Specific GHG Emissions by 2030 (FY 2018-19 baseline). While ITC has achieved a 50% share of renewables in total energy this year, ITC Businesses continue to invest in renewables and energy efficiency measures to improve their environmental footprint.

All ITC Businesses are Pursuing Renewable Energy Investments across Operations

Business	% Share in Total Energy	% Purchased Grid Electricity from Renewables	% Share of Renewables in Total Energy	% Reduction in specific energy consumption from FY 2018-19	Specific Energy Consumption (FY 2023-24)
2030 S2.0 Target	-	100%	50%	30%	-
Paperboards and Specialty Papers Division	85%	63%	51%	11%	23.0 GJ/tonne
Branded Packaged Foods Businesses	7%	32%	52%	25%	3.1 GJ/tonne
Hotels[2]	3%	54%	46%	12%	0.8 GJ/m²
FMCG Cigarettes	1%	65%	55%	6%	5.2 GJ/MNC

All ITC Businesses are Pursuing Efficiency Improvements across Operations

Business	Business Share (%) in ITC's Total GHG Emissions Scope 1, 2	% Reduction in Specific GHG Emissions Vs. FY 2018-19 Baseline	Specific GHG Emissions Scope 1,2 FY 2023-24
2030 S2.0 Target		50%	
Paperboards and Specialty Papers Division	78%	25%	1.10 tCO₂e/tonne
Branded Packaged Foods Businesses	8%	43%	0.20 tCO₂e/tonne
Hotels	5%	18%	0.08 tCO₂e/m²
FMCG Cigarettes	2%	11%	0.34 tCO₂e/MNC

[1]Performance against S2.0 targets reported on a standalone basis

[2]For Hotels, specific energy consumption is GJ per sq. m of built-up area

MNC: Million Cigarettes Scope 2 Emissions: Market-based GHG emissions

Developing Green Infrastructure for a Net Zero Future

Globally, the building sector contributes to 39% of all energy-related GHG emissions and will therefore play an essential role in the global net zero transition. This will entail mitigating emissions during the use phase of buildings as well as the embodied carbon of materials used during construction.

ITC's growing footprint requires rapid development of new infrastructure, like new factories, expansion of existing factories, and new hotels and offices. Accordingly, the Company's approach to building infrastructure focusses on reducing the embodied carbon footprint of its new facilities as well as designing facilities with globally benchmarked energy efficiency attributes in line with Standards like LEED®. This approach is operationalised by ITC's in-house team through best-in-class value engineering and sustainability practices. These practices include optimising design, designing buildings for longevity, using recycled or low-carbon materials for construction and interiors, and deploying passive cooling technologies, among others, to reduce the carbon footprint of the built infrastructure.

As a result, ITC is pioneering the green building movement in India. This is reflected in the fact that, currently, 40 ITC buildings are platinum-rated green buildings. In addition, the first twelve LEED® Zero Carbon hotels in the world are ITC properties, and ITC Sankhya is the first LEED® Zero Carbon data centre in the world.

Deploying Passive Cooling Strategies in Built Infrastructure

ITC evaluates various passive cooling measures to reduce the cooling demand in its buildings. A Computational Fluid Dynamics (CFD) methodology is employed to gauge the effectiveness of natural ventilation for the project. Specific areas are identified where forced ventilation is required to achieve thermal comfort conditions.

Further, shading elements are determined based on the annual solar path of the location, building orientation, form, extent, and position of windows.

A comprehensive study on thermal comfort is carried out, considering future climate change heat impacts, scenarios and combinations of building materials and design to determine the optimal combination that maximises the comfort hours inside the building using passive cooling measures.

Value Chain (Scope 3) GHG Emissions

ITC focusses on measuring and managing its environmental footprint across the value chain. In FY 2023-24, 3,120 TJ of energy was consumed outside the organisation. Further, Scope 3 GHG emissions stood at 253 kilo tonnes CO_2e, which includes emissions from the sources listed below:

Categories of Scope 3 GHG emissions	(in tCO_2e)
Inbound transportation of raw materials	1,19,932
Outbound transportation of waste and products	1,11,720
Employee commuting	5,903
Employee business travel by air	2,141
Pick-up and drop of guests in ITC Hotels	510
→ Exclusive third-party manufacturers (TPMs) catering to the notebooks segment of the Education and Stationery Products Business and Cigarette Business. → Associate companies: ATC Limited and Gujarat Hotels Limited	12,354

The standards, methodologies, tools, and assumptions used for quantification of the GHG emissions and removals by various sources, have been explained in detail in the 'Quantification Methodologies' Annexures.

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Managing Value Chain GHG Emissions

ITC is also working with its value chain partners, both upstream and downstream, to decarbonise their operations, improve efficiency, and work towards progressively including their emissions in the reporting boundary. Some of these initiatives are listed below:

Decarbonising Agri-Value Chains

Agri-based raw materials embody significant GHG emissions owing to on-farm operations as well as the usage of inputs like fertilisers. This is especially a challenge in the Indian context, as small landholdings result in farm-level inefficiencies concerning input usage and often limit the application of low-carbon interventions. Based on internal estimates, most of ITC's value chain emissions (Scope 3) lie in its agri-value chains, such as wheat, rice, pulpwood, and tobacco, amongst others. It is estimated that nearly 60% of these emissions are attributable to farm-related practices such as fertiliser application, electricity for irrigation, and land use management. The remaining 40% of emissions are estimated to be attributable to the embedded emissions of fertilisers used.

ITC follows a methodical science-based approach for decarbonising agri-value chains by accounting for regional differences in farm practices and the associated emissions while also considering the farmers' perspectives. ITC directly works with farmers to address some of these challenges by transferring technical know-how related to regenerative and climate-smart agriculture practices and enabling the aggregation of small farmers by working with Farmer Producer Organisations (FPOs) and leveraging digital platforms like ITCMAARS.

ITC's large-scale Social Investment Programmes help farmers adopt and scale up regenerative agricultural practices, like zero tillage, soil and moisture conservation, and nutrient management, that not only help in reducing GHG emissions but also contribute significantly towards enhancing their income levels. ITC's climate-smart agriculture programmes for major crops have covered over 2.79 million acres in 19 states. Going forward, ITC will focus on strengthening its systems for measuring and monitoring farm-level emissions from its key agri-value chains.

Sustainable Packaging

As part of ITC's Sustainability 2.0 vision, ITC's approach focusses on ensuring that 100% of packaging is reusable, recyclable, or compostable / biodegradable. This entails improving the recyclability of multi-layer laminate packaging by reducing the complexity of the structure, phasing out hard-to-recycle plastics and identifying alternative packaging materials with lower environmental impact, including bio-based compostable plastics. ITC is also exploring potential applications of refillable / reusable models.

Another element of the approach is optimising packaging to reduce the environmental impact arising from post-consumer packaging waste without impacting the integrity of the product. This includes a progressive reduction in plastic packaging intensity over time, examining the possibility of introducing recycled content in plastic packaging, evaluating the life cycle impacts of packaging, and identifying opportunities for improvement using tools like Life-Cycle Assessments (LCAs).

As a leading Paperboards, Paper, and Packaging company, ITC is also leading the way by introducing more recyclable and sustainable packaging solutions in the market, including innovative paperboard-based plastic substitution solutions.

Third-Party Manufacturing Partners

ITC has been working towards progressively increasing the coverage of key third-party manufacturing facilities in its Scope 3 emissions boundary, as this enables benchmarking their key performance indicators and developing action plans. In addition, ITC also provides technical guidance to its key third-party manufacturing partners for identifying and implementing improvement areas.

Transportation

The 'ITC One Supply Chain,' initiative aims at optimising routes, deploying higher capacity vehicles, and shifting to lower emission modes like rail, waterways, and sea routes to reduce transportation-related GHG emissions. ITC has also strategically located its Integrated Consumer Goods Manufacturing and Logistics (ICML) facilities for FMCG businesses closer to the market, allowing direct shipments to customers. The Company has also been working on introducing electric vehicles for last-mile delivery.

Scaling Up Adoption of Electric Vehicles (EV)

Over the past year, ITC has significantly scaled up the adoption of EVs for mid-mile delivery of FMCG products, resulting in a near 200% increase in the EV fleet size and a 300% increase in the number of trips to 11,000+ this year, compared to last year. The EV programme is currently operational in key cities across the country, including Delhi, Kolkata, Bangalore, Mumbai, Hyderabad, Pune, Siliguri, and Patna. Given the current market conditions, the carrying capacity and range of EVs, particularly larger vehicles, remain challenging. Based on the learnings from this year, the EV programme will be scaled up progressively.

End-of-life Management of Post-Consumer Packaging Waste

ITC collects and sustainably manages post-consumer plastic packaging waste across India. Through these programmes, ITC has been able to collect and sustainably manage ~70,000 MT of plastic packaging waste, which is more than the plastic packaging used in its products.

Product Sustainability

ITC leverages Lifecycle Assessment (LCA) studies to identify product-level footprints, including hotspots where interventions are required to make the product more sustainable. This may include changing product formulations, product packaging, and product delivery models.

Sustaining and Enhancing Carbon Sequestration

The social and farm forestry programme by ITC's Paper Business was started to promote sustainable forest management practices in the value chain and secure the supply of pulpwood for its paper mills. Apart from sequestering carbon, this programme provides significant environmental benefits, such as improving the productivity of the wasteland. The programme also helps in de-risking poor rural households by diversifying farm portfolios through the promotion of tree-based farming.

Carbon Sequestrated vs. GHG Emissions from ITC's Operations (Scope 1,2)
(in kilo tonnes of CO$_2$e)

	FY 2021-22	FY 2022-23	FY 2023-24
Scope 1+ 2 GHG Emissions	1,451	1,596	1,388
Net Sequestration	6,182	5,993	5,670

- Scope 1+ 2 GHG Emissions
- Net Sequestration
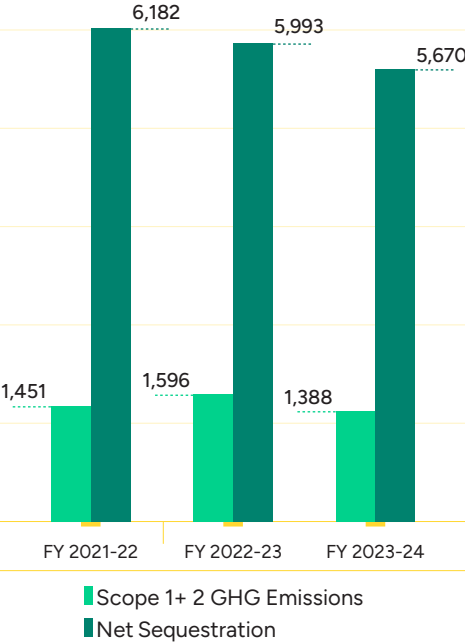
Adapting to Climate Change: Building Resilience Across the Value Chain

Physical Assets

ITC's extensive manufacturing base, including factories, warehouses, and hotels, is exposed to climate change risks on account of rising temperatures and extreme weather events such as intense precipitation, floods, heat waves, and cyclones. Taking cognizance of this, ITC has been at the forefront of understanding the underlying risks and impacts of climate change across its operations. Several climate studies have been carried out over the last few years, and these have served as foundational inputs towards developing the Company's three-step Climate Risk Management approach, which entails →

Step 1

Portfolio-level Assessment for Identifying Vulnerable Sites

→ ITC uses AI-enabled latest climate models to identify / prioritise vulnerable sites basis present-day as well as expected future change in climate risk.
→ Sites in quadrants 2 and 4 are accorded priority, while sites in quadrant 3 are closely monitored.

Future Change in Risk

3 Low Risk Today with Increasing Risk	4 High Risk Today with Increasing Risk
1 Low Risk Today, Tomorrow	2 High Risk Today with Low Change in Risk

Present Day Climate Risk
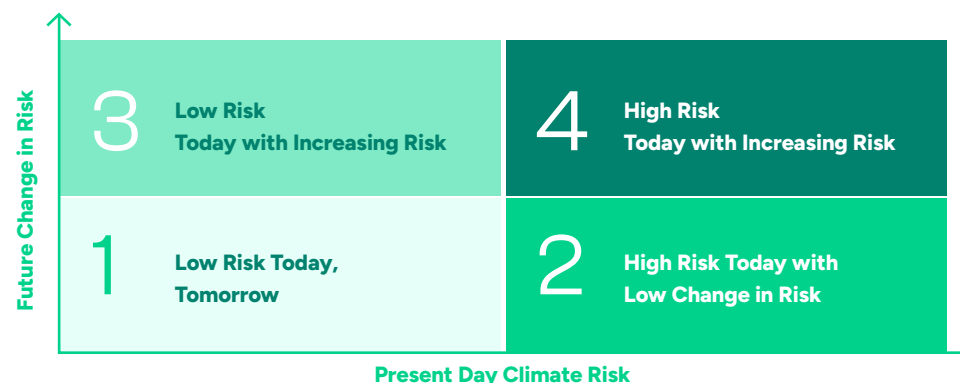
Step 2

Site-specific Climate Risk Assessments for Vulnerable Sites

→ Detailed site-level and hazard specific studies are conducted along with climate experts. These studies include simulations to identify the sources of vulnerability at the site in different scenarios.
→ The influence of non-climatic / local factors that can influence site-level risks such as the presence of manmade flood defence structures, land use patterns, and elevation are also considered.

Step 3

Locally Contextual Adaptation Plans for Vulnerable Sites

Based on the identified sources of vulnerability, local context of the site, and the business criticality, a locally contextual adaptation plan is developed. This includes:
→ **Within the site:** Physical adaptation measures (grey measures) such as hard engineering or nature-based solutions (green measures) or non-physical measures (soft measures) such as early warning systems, and extreme weather management practices.
→ **In the local catchment:** Engaging with local authorities and communities to build community-level resilience to climate change.

In FY 2023-24, ITC used a contemporary AI-based climate modelling tool to assess ~140 operating sites, including all ITC-owned units and key value chain units, for high-level physical risks of climate change. The assessment included analysing future forecasts of 20+ climate metrics that quantitatively illustrate the extent of impacts from numerous climate hazards such as rising heat, intense rainfall, floods, extreme wind, drought, and more across different climate change scenarios (SSP1 – 2.6 (1.8°C), SSP2-4.5 (2.7°C) & SSP5-8.5 (4.4°C)) and time horizons. Based on the results, sites were prioritised for further assessment.
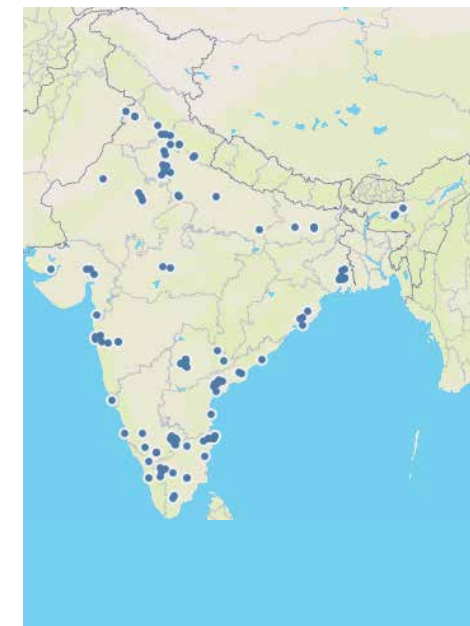
Snapshot of 140+ sites across India assessed for physical risks using latest climate modelling tools

Before

After

ITC has a manufacturing unit for its Packaging & Printing Business in Tiruvottiyur, Chennai. This location has been increasingly witnessing cyclone-induced flash floods, a trend that is worsening because of climate change. The floods and resulting stagnation of water cause inconvenience to the neighbouring community and can potentially disrupt the factory's operations as well.

ITC, as a part of its Social Investments Programme, engaged with the Environmental Engineering unit of IIT Chennai in the year FY 2021-22, to conduct a comprehensive hydrological study of the catchment. This included analysing water-related issues encompassing the water availability, quality, and resilience of existing systems to extreme events. The key issues identified by the study included the degradation of traditional watershed / tank systems due to 5 out of the 11 interconnected tanks getting disconnected, tank storage reduction due to siltation and solid waste getting dumped, both of which also resulted in eutrophication, and sewerage flowing into tanks.

These issues were leading to localised flooding due to stagnation and low recharge of groundwater, apart from poor water quality leading to unhygienic conditions in the neighbourhood.

Subsequently, ITC undertook several measures by engaging with the local community members, the Southern Railway Department, which owns a few of the tanks, the Greater Chennai Corporation and NGO partners. Work included the desilting of 5 tanks (59,700 kl) and establishing connections with channels; the removal of accumulated plastic waste and water hyacinth (68 tonnes); the diversion of sewage flowing into tanks through a STP unit; the reduction of solid waste dumping points (from 36 to 4); and the construction of waste separation chambers (2 tanks), amongst other measures.

These interventions have augmented the capacity of the four lakes and ensured a smooth flow of water through the channels, thereby reducing stagnation during floods in the catchment. As a result of this, during the Michuang cyclone in December 2023, according to the residents, the catchment area experienced minimal water stagnation. This was a significant reduction compared to the 20+ days of stagnation experienced during the cyclone in December 2015, despite 2023 registering a higher one-day rainfall (563 mm in 2023 vs. 365 mm in 2015). Apart from the flood mitigation, around 20,000 households have also benefited from additional water storage in these tanks, which has led to their own borewells and wells getting recharged, resulting in water tables improving from 2.8 to 2 metres. Community members have also reported improvements in sanitation conditions, a reduction in odour coming from tanks and a decrease in mosquito population due to improved water quality.

Adapting to
Cyclone-induced
Flash Floods in Tiruvottiyur, Chennai

Flood Adaptation at Bhadrachalam Paper Mill

ITC's Bhadrachalam paper mill is one of the largest pulp and paper mills in Asia and is located close to the river Godavari in the state of Telangana. In the recent past, the site's operations have been disrupted due to extreme levels of flooding in the river. Consequently, a detailed site-specific flood risk assessment was undertaken to identify sources of vulnerability at the site. As part of the assessment, local factors that influence the flooding risk at the site, such as elevation, drainage patterns (inside and outside the site), and storm water networks, among others, were also considered.

Based on the identified vulnerabilities, the site has developed a locally contextual adaptation plan that includes flood defence mechanisms, flood-resilient equipment and infrastructure, and revised inventory management systems to ensure minimal disruptions during extreme events.

In addition to the above measures within the site's boundary, ITC has been undertaking various initiatives in the catchment such as constructing and renovating water harvesting and catchment treatment structures, among others, that provide irrigation support and also reduce runoff during intense precipitation events.

Agri-Value Chain

Changes in temperature, precipitation, and extreme weather events like drought, make agriculture in India quite vulnerable to climate change. ITC is dependent on agri- and forestry-based value chains for sourcing key raw materials. For major crops like wheat, pulpwood, leaf tobacco, and potato, among others, there is significant and sustained work being done by ITC on the development of climate-tolerant varieties as well as the dissemination of climate-resilient and regenerative agronomic practices in the growing areas. ITC is leveraging ITCMAARS and AI-based solutions to provide farmers with an integrated early warning system that includes weather forecasts, crop advisories, and other critical insights for building climate resilience of farmers.

Additionally, ITC has also conducted detailed farm-level studies using AI-enabled climate modelling tools to understand the crop and region-specific yield impacts across India. These assessments help in sourcing from strategic locations with minimal climate impacts and further calibrate the climate resilience measures that are being implemented across the Company's value chains. Some of these interventions include developing climate-tolerant seed / seedling varieties, agro-chemical management, and propagating microzone-specific agricultural practices.

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Road Ahead

Climate change is undoubtedly the defining issue of the 21st century. ITC is committed to scaling its efforts for combatting climate change and enabling the transition to a Net Zero economy. This will involve:

Accelerated Decarbonisation

Accelerating towards achieving ITC's Sustainability 2.0 goals through continued investment in green infrastructure and energy- efficient technologies.

Based on the identified sources of emissions, prioritising, scaling up, and deploying systems to measure and monitor the emission impacts of existing value chain decarbonisation programmes with special emphasis on farm-related agri-emissions.

Developing ITC's long-term Net Zero plan

Climate Adaptation Strategy

Developing and Implementing robust and inclusive adaptation strategies for own operations and value chain in consultation with key stakeholders - farmers, NGOs, and local Governments, thereby ensuring a climate-resilient future for everyone.

Climate Disclosures

Transparently communicating ITC's approach, strategy and performance on climate change to key stakeholders including investors through disclosures aligned with the Task Force on Climate-Related Financial Disclosures (TCFD) framework.

Partnerships and Collaboration

Promoting thought leadership and industry-wide collaboration on climate change through the 'CII–ITC Centre of Excellence for Sustainable Development'.

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Sustainable and Climate-Resilient Agriculture

Leveraging the Company's enterprise strengths and its large presence in rural communities, ITC has, over the years, designed and implemented large-scale sustainable agriculture programmes across the country. With the growing impacts of climate change on agricultural productivity and a constant deterioration in the state of natural ecosystems, a sustainable agricultural production system that is resilient to climate change is imperative for India.

ITC is focused on developing 'climate-smart' agriculture systems that address the environmental and social impacts of climate change and enable its agri-value chains to withstand the climatic impacts. Climate Smart Agriculture encompasses a range of practices and technologies developed for specific agro-ecological conditions and socio-economic contexts, including the adoption of climate-resilient crop varieties, conservation agriculture techniques, agro-forestry, precision farming, and water-use efficient (more crop per drop) practices, among others. These practices ensure improved productivity, enhanced resilience, and reduced emissions, and support sustainable livelihoods. At the same time, ITC is also focussing on building new and diverse farm value chains for crops like millets to improve climate adaptability and ensure nutrition and food security.

ITC's initiatives for increasing agricultural productivity in a sustainable manner are scientifically planned and follow the key principles of 'regenerative agriculture'. According to the Indian Council of Agricultural Research (ICAR), regenerative agriculture leads to the development of healthy soils, capable of producing high-quality, nutrient-dense food while simultaneously improving, rather than degrading the land, ultimately leading to productive farms, healthy communities, and thriving local economies.

Moreover, with the unique set of challenges that Indian farmers face, farmer wellbeing remains at the core of ITC's portfolio of large-scale farm interventions. ITC works towards creating an enabling environment for farmers by providing technical assistance and extension services for improving yields, streamlining access to input markets, including credit through aggregation, establishing market linkages, and extending assistance to transition to sustainable practices. Further, to secure farmer livelihoods, ITC's Agri Business Division and Social Investments Programme (ITC Mission Sunehra Kal-MSK) focus on various mechanisms for making the dominant sources of income for farming communities more sustainable.

Highlights

ITC's Climate Smart Agriculture programme under MSK covered

2.79 million
acres

impacting over

1.05 million
farmers

during the year across 19 States

S2.0 Target for Climate Smart Agriculture programme is of covering 4 million acres by 2030

ITCMAARS (Meta Market for Advanced Agricultural Services) - A crop agnostic 'phygital' eco-system has been launched in 10 States with over

1.5 million
farmers

empowered through 1,660 FPOs

Scaling up sustainable farming certifications across key agri-value chains

Certified Organic

32,166 acres

(4,302 acres certified and 27,863 acres in conversion)

Other Certifications like Rain Forest Alliance (RFA), Global GAP, Fairtrade, BAP-4, and ASC covering

15,160 acres

ITC's Approach: Sustainable and Climate-Resilient Agriculture

Focus Areas	Farm Interventions	Key Outcomes
Sustainable Farming Practices for Decarbonising Agriculture	**Designing & Implementing Crop-specific & Region-specific Bouquet of Sustainable & Regenerative Farm Practices**	**Sustainable Food Production System**
Climate Risk Management for Building Resilience of Indian Agriculture		**Improved Climate Resilience**
Replenishing Natural Resources Crucial for Agriculture—Water, Soil and Biodiversity		**Sustainable Farmer Livelihoods**
		Natural Resource Conservation

Key Enablers

1 **Research & Development**

2 **ITCMAARS - Digital Platform for Farmer Empowerment**

3 **Farmer Collectives**

4 **Partnerships with Scientific Institutions**

Sustainable Farming Practices for Decarbonising Agriculture

For its key agri value chains, ITC has estimated the GHG emissions in line with global standards while considering the regional context. Based on these estimates, climate mitigation actions are planned across key nodes in the agri value chain. Among the agri-commodities traded by ITC, Wheat and Rice cumulatively account for ~80% of the total emissions. Based on the ITC's estimates, the major emission hotspots are farm-level practices, irrigation, and fertiliser production and application. Therefore, effective decarbonisation will entail reducing emissions from these identified key sources.

To make agriculture sustainable and future-ready, ITC adopts a variety of practices that lead to optimal use of resources. ITC's extension programmes with farmers focus on technology-based practices across multiple crops. With reduced requirements for external inputs, 'regenerative agriculture' empowers farmers and local communities. Among other benefits, regenerative agriculture also helps in the decarbonisation of agriculture by rebuilding soil organic matter and restoring degraded soil biodiversity, resulting in both carbon sequestration and improving the water cycle.

Bouquet of Sustainable and Regenerative Farm Practices

→ Varietal Selection: High Yielding, Climate Resilient
→ Seed Treatment
→ Nutrient Management
→ Integrated Pest Management
→ Crop Diversification
→ Zero Tillage
→ Direct Seeded Rice (DSR)
→ Broad Bed Furrow
→ Mulching
→ Murate of Potash (MoP) Spray
→ Plant Growth Regulator (PGR) Spray
→ Crop Residue Management
→ Solarisation of Agriculture (pumps)
→ Drone / Nano Urea Application
→ Efficient Irrigation (Drip, Rain Gun & Smart Switch)
→ Reducing Fossil Fuel Consumption
→ Customised Crop Advisory through ITCMAARS
→ Livestock Management (feed, biogas)
→ Agroforestry
→ Energy Efficient Barns, Smart Curing (Tobacco)
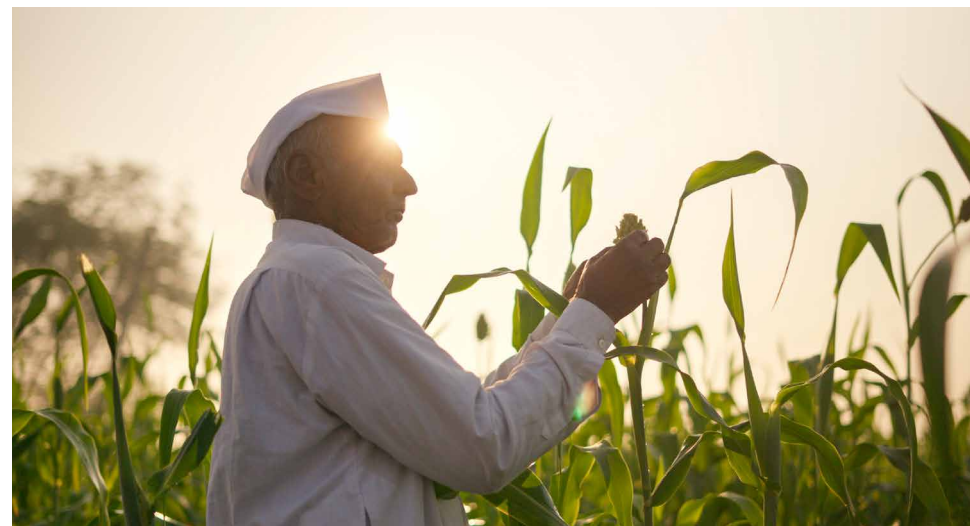
ITC's Agri-Business Division (ABD) promotes various regenerative or resource conservation cultivation practices across key crop value chains such as wheat, rice, soybean, chilli, turmeric, and cumin. These practices help in optimising the use of resources during the crop life cycle, thus facilitating the reduction in the cost of cultivation as well as improving yield.

As part of ITC's Social Investment Programme (SIP), ITC's Climate Smart Agriculture (CSA) programme aims to make agriculture regenerative, productive, sustainable, remunerative, and climate-resilient, which is closely aligned to the Indian Government's PM KUSUM, Sustainable Agriculture, Natural Farming, and Millet Mission programmes, which focus on improving farmer incomes, minimising climate-related risks, and decarbonising agriculture. The CSA programme covered 2.79 million acres, impacting over 10.50 lakh farmers during the year across 19 States. ITC is targeting covering 4 million acres by 2030 under this programme. Additionally, in the core agricultural catchments, ITC has been working to convert the entire village into a Climate Smart Village (CSV). At the core of ITC's Sustainable and Climate-resilient Agriculture practices, is a scientific temperament supported by research-based, technology-backed programmes and close collaboration with farmers.

CSA programme impact:

2.79 million acres
10.50 lakh farmers
19 states

Climate Risk Management for Building Resilience of Indian Agriculture

ITC's approach is geared towards addressing climate risks in the short-term like-impacts of drought and erratic precipitation levels as well as building long-term resilience across its key agri-value chains.

बीमारी का पता चला
डाउनी मिल्ड्यू 87%

लक्षण 1

डाउनी मिल्ड्यू: यह एक कवक रोग है. इस रोग से पूरे पौधे को नुकसान पहुंचता है. इससे बालियां विकृत हो जाती हैं और उनमें बीज नहीं बनते.

संक्षिप्त वर्णन

अलर्ट बनाएं | इनपुट खरीदें | कॉल करें

Initiatives for
Managing Climate Risks in the Short-term

Promotion of biotic and abiotic stress-tolerant varieties

Promotion of climate-smart practices across the crop cycle

Weather forecasting and customised crop advisories using ITCMAARS

Crop Advisory from ITCMAARS App
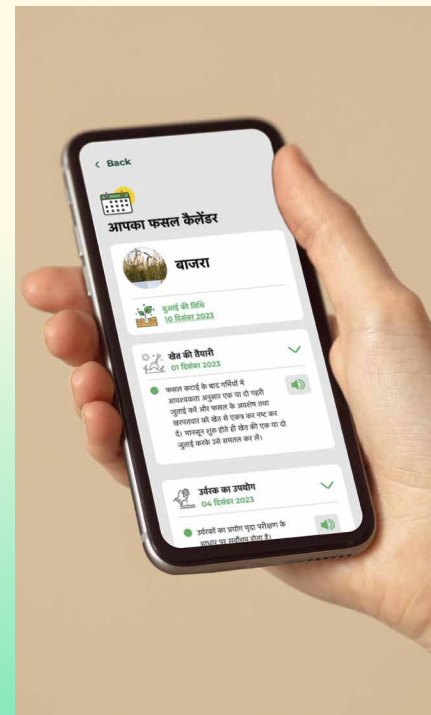
Initiatives for
Building Long-term Climate Resilience

Long-term climate risk modelling and scenario analysis using the latest AI-based climate tools

Expansion to low climate-risk geographies

Technology deployment for mitigation of climate impact

R&D efforts for the development of new climate-smart varieties in collaboration with international, national, and regional agricultural research institutions

Scaling up of watershed management initiatives including river-basin level interventions.

Approach to Sustainability 2.0

Environmental Stewardship

Social Stewardship - Sustainable & Inclusive Growth

Annexures

Replenishing Natural Resources Crucial for Agriculture: Water, Soil, and Biodiversity

In the agri-catchments, the focus is on drought-proofing agriculture by reducing crop-water demand through agronomic practices for improving soil water-holding capacities and improved irrigation techniques (drip irrigation, augmenting water supply through rejuvenation and / or the creation of water harvesting and recharge structures).

ITC Mission Sunehra Kal has collaborated with reputed institutions and thematic expert organisations (IWMI, WWF India, ACWADAM, and CII) to improve water use efficiency in agriculture, map recharge zones for managed aquifer recharge, and estimate water balance.

In agricultural catchments, ITC continues to work for biodiversity conservation along with

soil and water, as these three are essential natural capitals vital for sustainable agriculture. As a part of its biodiversity conservation efforts, ITC has focussed on:

→ Biodiversity conservation in agri-supply chains to minimise the adverse impacts of agriculture on biodiversity

→ Community-driven biodiversity conservation at the watershed level through landscape renewal and rehabilitation of degraded plots for mosaic restoration

→ Revival of ecosystem services provided to agriculture by nature, which has witnessed considerable erosion in recent decades

Promoting Certified Sustainable Farm Value Chains: Organic, Rain Forest Alliance (RFA), Global GAP, and Fairtrade

ITC's Agri-Business Division (ABD) helps farmers implement various certification programmes to sustainably cultivate crops with the objective of conserving resources, adhering to social safeguards, and increasing the potential for value realisation. The organic certification in crops like Wheat, Chilli, Turmeric, and Mango helps reduce the usage of chemical fertilisers and crop protection chemicals, decrease nitrate leaching into ground and surface water, reduce soil erosion, and improve soil organic carbon. These encourage soil fauna and flora, thus improving soil formation and structure and creating more stable systems.

Similarly, other certifications, such as the Rain Forest Alliance (RFA) certification in Coffee, Chilli and Turmeric; Global GAP in Chilli, and Turmeric and Fairtrade in Fruit and Vegetable value chains, helps build the capacity of farmers around avoiding child labour and promoting gender equality and non-discrimination. It also helps optimise the use of inputs such as fertilisers and chemicals, prevent pollution, and manage waste. These certifications also help in safeguarding forests and conserving biodiversity.

Sustainable Certifications in ITC's Agri-Value Chains includes Organic certification covering 32,166 acres (4,302 acres certified and 27,863 acres in conversion), and other Certifications such as Rain Forest Alliance (RFA), Global GAP, Fairtrade, *BAP-4, and ASC covering 15,160 acres.

Best Aquaculture Practices - BAP

ITC's Initiatives Across Key Agri-Value Chains
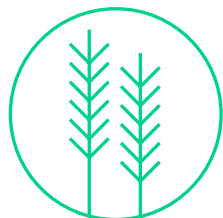
Wheat Value Chain

ITC promotes various regenerative cultivation practices across its Wheat value chain. The following practices help in optimising the use of resources during the crop life cycle, thus facilitating the reduction in the cost of cultivation as well as improving yield while enhancing climate resilience.

→ **Zero Till:** In the case of Wheat, zero-tillage sowing using zero-till seed drill or happy seeder is promoted to reduce the number of tillage operations compared to conventional cultivation, thus substantially reducing the cost of cultivation and GHG emissions without significantly changing the yield.

→ **Crop Diversification:** The crops that help augment the soil, such as summer moong (green Gram) are promoted amongst the farmers. This crop also acts as a source of additional income for farmers. With its nitrogen-fixing ability and cover crop function, summer moong also contributes towards soil conservation.

→ **Drone Spray:** The use of drones for spraying is actively encouraged through demonstrations. Chemical spraying through drones has showcased significant improvements in water conservation and the efficient use of chemicals.

→ **Nutrient Management:** Various practices such as Soil Testing, Leaf Colour Charts (LCC),

and Nano Fertilisers are promoted during the crop life cycle, optimising the number of fertilisers used per unit area. Estimates suggest that the optimised fertiliser dosages result in around a 15% reduction in fertiliser-related emissions.

→ **Integrated Pest Management (IPM):** Best practices for managing various pests and diseases are promoted amongst farmers to optimise the use of various crop protection chemicals and to meet the chemical residue level requirements in the final product.

→ **Murate of Potash (MoP) Spray:** The practice of foliar application of MoP on Wheat during the crop cycle helps the crop to manage heat stress, especially in the January to February months, thus reducing the possibility of yield loss.

→ **Plant Growth Regulator (PGR) Spray:** In the case of the Sharbati variety of Wheat, the application of PGR helps in controlling the plant height and thus avoiding the lodging of the crop. It helps in reducing the potential loss of yield due to erratic weather such as wind and excess rainfall.

→ **Organic Certification:** Helps reduce the usage of chemical fertilisers and crop protection chemicals, decrease nitrate leaching into ground and surface water, reduce soil erosion, and improve soil organic carbon.

ITC's Initiatives Across Key Agri-Value Chains

Leaf Tobacco Value Chain

→ ITC has designed and adopted a **Weather-Resilient Tobacco Production System** to mitigate the impact of weather challenges. This approach emphasised carrying out adaptation actions with better preparedness and contingency planning, along with enhancing production capability. The system includes the development of Adaptation Tool Kits (which are region-, season-, crop-, stage-specific, and contextual) supported by reliable Weather Forecasting Models.

→ ITC has supported Tobacco farmers in Karnataka and Andhra Pradesh in adopting **green manuring initiatives on 3,083 acres.** This helped in improving soil structure, increasing water holding capacity, decreasing soil loss by erosion, and reducing the use of inorganic fertilisers.

→ **Sub-soilers** are deployed in the identified regions to break compact sub-soil, enabling increased water-holding capacity and better root penetration.

→ **Soil and moisture conservation** work is done in tobacco-growing tracks in Andhra Pradesh and Karnataka to provide irrigation support to nurseries and standing crops.

→ **More than 23,000 acres** of land in the West Godavari region of Andhra Pradesh is covered with **drip irrigation techniques** which avoid loss of fertile topsoil through runoff and enable increased water use efficiency.

→ Tobacco farmers are encouraged to practice **crop rotation with pulse crops** to improve soil fertility and support soil microbial activity.

→ **Contemporary seedling production techniques (Tray seedling)** cover 95% of the area in Karnataka Light Soil and 85% of the area in Northern Light Soil regions of flue-cured tobacco-grown areas, resulting in a uniform crop and improved productivity.

→ For the tobacco value chain, fuel emissions are addressed by reducing diesel consumption in the fields and wood consumption in the curing barns.

→ **Responsible usage and safe disposal of agro-chemical waste** are implemented across the tobacco regions with the help of existing village waste collection centres and a new Agriculture Waste Aggregation & Disposal Model covering 12,500 farmers. These initiatives help to eliminate contamination of local water / soil sources and minimise adverse impacts on human health.

Spices Value Chain

→ Along with practices of integrated pest management, nutrient management, and crop diversification, **mulching** is a practice prevalent in spice cultivation. It helps in increasing water availability, maintaining soil temperature, and suppressing weed growth, thus positively affecting the overall yield as well as mitigating the effect of climate change.

→ Certifications such as the Rain Forest Alliance (RFA) certification in Chilli and Turmeric and Global GAP in Chilli and Turmeric value chains help build the capacity of farmers to avoid child labour, promote gender equality and non-discrimination. They also help optimise the use of inputs such as fertilisers and chemicals, prevent pollution, and manage waste. These certifications also help in safeguarding forests and conserving biodiversity.

Paddy Value Chain

→ **Direct Seeded Rice (DSR):** This method in Paddy is used to shorten the crop duration, reduce cost, and save water. This practice of sowing rice seeds directly into the field instead of nursery raising and transplanting helps farmers reduce the duration of the crop cycle, the cost of cultivation especially sowing, and water consumption, thereby reducing GHG emissions without significantly affecting the yield.

→ **Crop Residue Management:** Farmers participating in various Crop Development Programmes are trained on effective residue management practices to address the issue of stubble burning and resultant GHG Emissions.
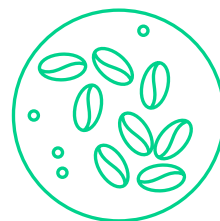
Other Value Chains

→ Using Broad Bed Furrow (BBF) Technology in Soyabean to reduce the effect of excess rainfall / water logging.

→ Implementation of the Rain Forest Alliance (RFA) certification in Coffee for input optimisation, and biodiversity conservation.

ITC Mission Millets: Addressing Climate Resilience, Nutrition, and Food Security

The United Nations General Assembly, at its 75th session in March 2021, declared 2023 the International Year of Millets (IYM 2023). According to the United Nations' Food and Agriculture Organisation (FAO), millets can grow on arid lands with minimal inputs and are resilient to changes in climate. They are therefore an ideal solution for countries to increase self-sufficiency and reduce reliance on imported cereal grains.

In view of the **International Year of Millets (IYOM) 2023,** ITC launched **Mission Millets**, which is designed as a transformative and cohesive approach to build awareness and adoption of Millets and enhance both demand and consumption, as well as the production and supply aspects of this smart crop. Not only as a 'superfood', but Millets are also known to be inherently climate-resilient crops, having higher efficiency in absorbing and utilising carbon dioxide. Millets are well known for their hardiness and capacity to withstand prolonged periods of drought and high temperatures while still producing grains and fodder.

ITC's Mission Millets: Interventions and Accomplishments during IYOM 2023

ITC's Mission Millets is designed to promote adoption of Millets, emphasising demand and consumption as well as the production and supply aspects of this smart crop.

Farmer Awareness and Training

To build awareness and promote good agricultural practices amongst the farmers, ITC carried out 1,053 crop demonstrations across 1,021 farmers for Jowar, Bajra, Foxtail, and Ragi in Madhya Pradesh, Uttar Pradesh, Rajasthan, Karnataka, and Maharashtra. This was accompanied by 206 village meetings, 1,757 farmer interactions, 12 farmer trainings, and four field days benefitting 5,989 farmers across the aforementioned geographies.

Digital Interventions

This is accompanied by Digital support through the ITCMAARS platform to disseminate a Millet-specific package of practices, hyperlocally customised Crop Advisory through weather forecast, Crop Calendar, and Crop Doctor across 124 FPOs and 85 clusters.

Creating Market Linkages

To cater to the demand for its products, ITC is currently sourcing required Millets (Sorghum, Pearl Millet, Ragi, etc.) from the three key States of Karnataka, Maharashtra, and Andhra Pradesh. ITC has established procurement centres in Raichur, in Karnataka, and has secured procurement of 192 MT Bajra and 775 MT hybrid Jowar so far.

Farmer Mobilisation

To further popularise Millet adoption and create mass awareness, ITC rolled out Millet-specific Rath Yatras and Van Campaigns in focussed districts of Maharashtra and Karnataka leveraging the ITC eChoupal and FPO network, benefitting 7,850 farmers, along with 64 wall paintings across Maharashtra and Karnataka.

Consumer Awareness

ITC's world-class Indian Brands anchor millet-based products. ITC is progressively developing and marketing a range of micronutrient-rich food products, with some being 100% millet-based and others introducing millets gradually. The product portfolio includes a diverse variety for all meal occasions like super cookies, vermicelli, gluten-free staples such as Multi Millet Mix and Ragi Flour, ready-to-eat food products, chocosticks, and snacks under ITC's world-class Indian brands like Aashirvaad, Sunfeast, Bingo!, Yippee!, and Candyman. To introduce consumers to the versatility of millets, ITC Hotels has also curated special millet-based cuisines.

Apart from the above initiatives, ITC is also participating in various conclaves and outreach events, such as the Millet Conclave – Raichur, the G20 - Hyderabad, World Food India – Delhi, the ASEAN India Millet Festival – Jakarta, etc., to interact with various related stakeholders and amplify its efforts towards making Millets a preferred crop and dietary choice again.

Creating an Enabling Ecosystem for Indian Farmers

Research & Development (R&D)

ITC Life Sciences and Technology Centre (LSTC)'s R&D initiatives are equipped with a world-class scientific platform and centres of excellence that deliver processes and products. ITC LSTC Crop Sciences team is involved in the development of crops for Agri-Business that enable achieving the objectives of climate resilience and farmer profitability with enhanced yield and quality. Some of these include the development of climate-resilient varieties / hybrids of crops like wheat, potato, tobacco, and pulpwood.

LSTC is conducting cutting-edge multidisciplinary R&D activities across both traditional and non-traditional Wheat production geographies in India, enabling farmers to produce region-specific superior varieties with enhanced yield and quality through the development of best site-specific agronomic practices.

For developing climate-resilient varieties, ITC LSTC has fostered collaborations with international Wheat research institutes like the International Maize and Wheat Improvement Centre, Mexico & Resource Seed International (RSI), Mexico.

To promote sustainable production of processing potatoes, ITC LSTC in association with the Central Potato Research Institute (CPRI), India's premier research institute for potato research under the Indian Council of Agricultural Research (ICAR), is involved in developing region-specific varieties that perform well under challenging conditions in different climate zones with acceptable processing quality and formulation of variety or region-specific good agricultural practices. Also, the promotion of localised production of processing potatoes closer to processing units lowers the environmental impact by reducing the carbon footprint through minimised long-distance transport and improves local farmers' profitability by ensuring an assured market price.

Wheat   Potato   Tobacco   Pulpwood

R&D efforts on tobacco mainly concentrate on the development of region-specific superior varieties and good agricultural practices to sustain quality raw material availability and farmer profitability across tobacco-growing geographies. To minimise the water used in growing tobacco crops in limited water conditions and with residual moisture, cultivation of genetically inherent water-use efficiency (WUE) or drought-tolerant varieties are necessary for sustainable production. LSTC is developing water-use-efficient varieties for rainfed zones and hybrids with a 15-20% enhancement in yield for irrigated regions.

Water-use-efficient varieties with

15-20%

enhancement in yield for irrigated regions

Agro-forestry, one of LSTC's key expertises, involves working on the productivity improvement of trees by using contemporary research tools for Eucalyptus, Casuarina, Corymbia, and Subabul species. LSTC has released several new clones for all four species, aimed at improving productivity and catering to the sourcing needs of ITC's paper business. Last year, 12.8 million new clones with improved productivity were distributed to farmers.

12.8 million

new clones with improved productivity were distributed to farmers

Market Access and a Digital-Driven Agri-Transformation

ITCMAARS: Metamarket for Advanced Agriculture and Rural Services

To power next-generation agriculture, ITC launched ITCMAARS to bring the benefits of state-of-the-art digital technologies to farmers. This crop agnostic 'phygital' eco-system is embedded with a full stack Agri-tech platform with farmer producer organisations (FPOs) as the pivot.

FPOs: A Crucial building block of ITCMAARS

FPOs have tremendous potential to serve as major facilitators for augmenting farm livelihoods by enabling both aggregation efficiencies and targeted delivery of farm solutions. They can become a facilitator in agri-transformation, acting as a crucial link between markets and individual farmers, especially those with small and marginal land holdings. Contributing significantly to the Government's drive to promote and strengthen FPOs, ITCMAARS has seamlessly integrated them into the model. The 'phygital' ecosystem of

ITCMAARS involves ground-level engagement through Farmer Producer Organisations (FPOs). They provide physical staging points for inputs and outputs supply chains in villages. They also leverage ITC's trust and presence in village communities.

ITCMAARS: Services Offered

The digital platform provides farmers with AI/ML-driven value-added, personalised, and hyperlocal crop advisories. These include a customised 'Crop calendar' for scientific planning of crop cycles, a 'Crop Doctor' function for real-time resolution of crop infestation, real-time soil testing, a 'Fertiliser Calculator' to optimise nutrition, precision farming, access to good quality inputs and market linkages, and so on. It also makes available allied services such as pre-approved loans, and over time, will also provide insurance, amongst others. The scaling up of ITCMAARS will significantly contribute to the national priorities of Digital India, doubling farmer incomes, and enhancing livelihood opportunities.

ITCMAARS provides assorted agricultural and allied services to farmers on the digital platform. From the supply of seeds, farm inputs and services like soil testing to weather forecasts, credit, and market linkages, the ITCMAARS app is ITC's key contribution towards 'Next Gen' agriculture.

AI-based Innovation for Farmer Empowerment

The 'Krishi Mitra' AI chatbot is the latest standout innovation within ITCMAARS. Developed in collaboration with Microsoft, it understands and responds to farmer queries in voice and regional languages, deploying voice-to-text technology to deliver personalised guidance.

AI

Scale and Reach of ITCMAARS

ITCMAARS has, so far, been launched in 10 States: Uttar Pradesh, Madhya Pradesh, Rajasthan, Maharashtra, Bihar, Karnataka, Andhra Pradesh, Telangana, West Bengal, and Gujarat. It has empowered over 1.5 million farmers through more than 1,660 FPOs. The model already covers agri-value chains such as wheat, soybean, and millet. Several banking partners (such as the State Bank of India, Axis Bank, and IDFC First Bank), crop nutrition and protection majors (such as Bayer, BASF, Syngenta, Corteva Agrisciences, and Coromandel), and multiple ICAR Agri Institutes have come on board the super app.

ITCMAARS will progressively cover as many as 4,000 FPOs, empowering 10 million Indian farmers by 2030.

ITCMAARS ↗

ITC e-Choupal: Empowering 4 million Farmers

Launched in June 2000, ITC e-Choupal is today India's largest initiative among internet-based interventions in rural India. The ITC e-Choupal network leverages information technology to empower farmers, through a rich repertoire of agri-based interventions. Initiatives like the 'Choupal Pradarshan Khet' bring suitable agricultural best practices to farmers and have demonstrated significant productivity gains. These interventions have helped to transform village communities into vibrant economic organisations by enhancing incomes and co-creating markets. Empowerment and building trust amongst the farming community remain at the core of this model.

4 million farmers
served through e-Choupal to date

To date
35,000+ Villages
served through internet-based interventions in rural India

6,100 e-Choupal kiosks
spanning 10 States

For more information on the above initiatives and the work being done with grassroots institutions like Water User Groups (WUGs), Agri-Business Centres (ABCs), work with women farmers, and the creation of rural infrastructure for improving adaptive capacity

Mission Sunehra Kal for Sustainable and Inclusive Growth

ITCMAARS

ई-चौपाल
किसानों के हित में, किसानों का अपना

Road Ahead

A more sustainable and resilient agriculture sector will be at the core of India's net zero roadmaps and climate change agenda. ITC, with its deep linkages to rural India and agri-value chains and sustained long-term interventions with Indian farmers, is committed to accelerating the sustainable transformation of Indian agriculture. As part of its Sustainability 2.0 vision, ITC's approach will focus on:

Making Indian Farming Resilient to Climate Change:

ITC will continue to utilise advanced climate modelling tools for identifying hot spots and major climate hazards impacting key crop value chains across various scenarios and time horizons. Based on the findings, location-specific and farmer-centric solutions will be curated to improve the adaptive capacity of farm value chains and farmers.
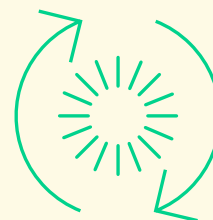
Innovation and Research-led Transformation of Indian Agriculture:

ITC's state-of-the-art Life Sciences and Technology Centre (LSTC), equipped with world-class scientific platforms and centres of excellence including Agro-forestry and Crop Sciences, is at the forefront of leading R&D efforts towards building climate-smart varieties. This will be supplemented with collaborations with various national and international research institutes and technology deployment for sustainable and climate-smart agricultural practices.
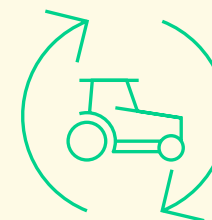
Scaling up Sustainable and Climate-Smart Agriculture Programmes for Indian Farmers:

ITC will strengthen its engagement with farmers for conserving natural resources, building climate resilience, and decarbonising the agri-sector while focussing on supporting sustainable livelihoods and enhancing national food security. ITC is targeting to bring 4 million acres under Climate-Smart Agricultural practices across the country and promote 10,000 climate-smart villages in core agri-business catchments by 2030.

Biodiversity Management

Biodiversity provides essential resources and ecosystem services for ensuring the long-term sustainability of nature-dependent businesses. These include resources like water, key raw materials, agri-commodities, and ecosystem services like recycling of nutrients, ensuring soil fertility, controlling the local micro climate, and regulating local hydrological processes and organisms in the ecosystem, among others. Besides depending on nature, businesses through their operations, can also impact nature in many ways and hence should bear responsibility for its protection.

ITC's operations and value chains also depend on nature, and accordingly, locally contextual and specific biodiversity management plans are developed and implemented across ITC's operating and sourcing locations. Given the linkages between agriculture and the essential ecosystem services that nature provides, ITC recognises that the preservation and nurturing of biodiversity are crucial for the long-term sustainability of its business and is committed to conducting its operations in a manner that protects, conserves, and enriches biodiversity in line with the Board-approved policies on Biodiversity Conservation and Deforestation.

As part of its Sustainability 2.0 Vision, ITC recognises the potential of nature-based solutions for carbon sequestration and building climate resilience. ITC prioritises actions to minimise impacts across realms of land, freshwater, and atmosphere, while sustainably managing its dependencies. ITC's approach is also aligned to the recommendations of the Taskforce on Nature-related Financial Disclosures (TNFD), including the L.E.A.P. (Locate, Evaluate, Assess, and Prepare) approach, which entails the identification and management of material nature-related Dependencies, Impacts, Risks and Opportunities (DIRO).
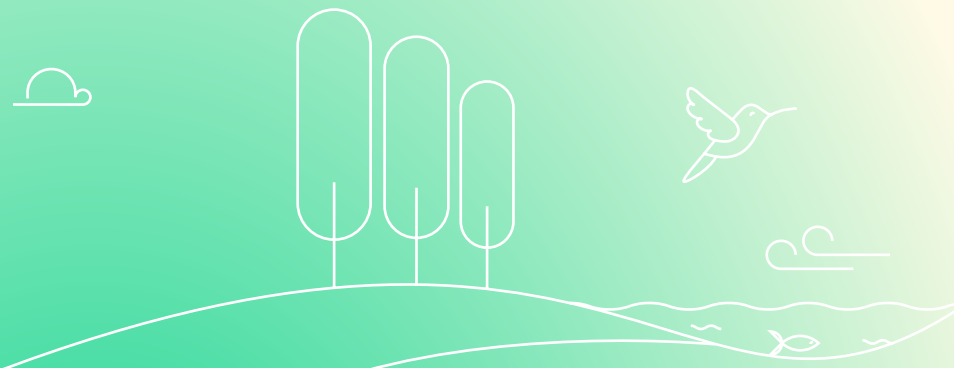
Highlights

Till date, ITC Mission Sunehra Kal (MSK) has taken up biodiversity revival and conservation work in

>7,500
biodiversity plots

covering close to

4.70 lakh acres

spread across 10 States by involving farmers and community members.

+

S2.0 target is to cover 1 million acres of land under Biodiversity Conservation plots by 2030

ITC was awarded the prestigious

1st UNDP Mahatma Award in 2023

in recognition of its Self-sustaining Human-centric Approach to Biodiversity Conservation

ITC has the distinction of being the first in India to have obtained the Forest Stewardship Council®-Forest Management (FSC®-FM) certification, which confirms compliance with the highest international benchmarks of plantation management across the dimensions of environmental responsibility, social benefit, and economic viability

Till date, ITC has received FSC®-FM certification for close to

1.49 lakh acres

of plantations involving over 25,000 farmers

During the year, over

485,000 tonnes

of FSC®-certified wood was procured from these certified plantations

ITC sustained its position as the

Leading supplier

of FSC® certified paper and paperboards in India

26%

of the wood consumed by ITC is FSC®-FM certified

ITC's TNFD-aligned L.E.A.P Approach for Biodiversity Management

L E A P

Locate   **Evaluate**   **Assess**   **Prepare**

Step 1
Locating & Scoping Business-Nature Interface

Step 2
Evaluating & Assessing Nature-related Dependencies, Impacts, Risks & Opportunities (DIRO)

Step 3
Implementing Management Strategy in line with UN Mitigation Hierarchy

Step 4
Setting Nature-related Targets

Step 5
Reporting on Progress & TNFD-aligned Disclosures

Compilation of all **business interactions with the natural environment** for own operations and value chains

Identification of **locations in proximity to ecologically sensitive areas** such as Key Biodiversity Areas, Protected Areas, Tiger Corridors, and areas with IUCN Red List species

Portfolio-level screening of sites / locations for **water and climate risks** based on risk assessments carried out at site and catchment level

Sectoral analysis across ITC businesses
for identification of key dependencies and impacts using available secondary information and TNFD recommended tools / methodologies like **ENCORE (Exploring Natural Capital Opportunities, Risks, and Exposure) and SBTN Materiality Screening Tool by the Science Based Targets Network.**

Prioritisation of actions based on **material risks and opportunities** identified for the business and stakeholders.

Planning mitigation actions
for key risks and opportunities identified in line with the UN Mitigation Hierarchy:
Step 1: Avoid
Step 2: Minimise / Reduce
Step 3: Restore / Regenerate
Step 4: Offset
Step 5: Positive Contribution / Transform

Developing and implementing
location-specific and locally contextual Biodiversity Management Plans & Initiatives.

Setting time-bound, science-based targets
including KPIs for tracking progress.

As an adopter of the TNFD framework, ITC will continue to report its approach, initiatives, and progress in line with TNFD recommendations.

Identification and Management of Material Nature-related Dependencies, Impacts, Risks and Opportunities (DIRO) Across Own operations and Key Value Chains

Locating and Scoping Business Nature Interface

To identify and address nature and biodiversity-related risks, it is crucial to gain location-specific insights on nature and ecosystem services from a dependency-impact perspective, especially for locations near designated eco-sensitive zones. This enables the design of strategies that are tailored to the specific requirements of that location.

ITC's approach starts with undertaking a desk-based assessment covering owned sites spread across the country to gauge the proximity to any eco-sensitive area using public databases like those provided by IUCN and the Ministry of Environment, Forests, and Climate Change. This assessment was undertaken in 2023 for 60+ ITC-owned assets, and as a result, all sites with any interface with eco-sensitive zones were identified.

Step Wise Approach to Proximity Analysis

Step 1

Geospatial Mapping of ITC's Operational Activities including Buffer Delineation

Step2

Identifying Proximity of ITC's Operations to Ecologically Sensitive Areas

Such as Key Biodiversity Areas, Protected Areas, Tiger Corridors, and IUCN List of Threatened Species

Step 3

Identifying High Priority Sites based on Proximity Analysis

For assessing other key risks like water stress and climate change, desk-based portfolio-level screenings are carried out using the latest available data and tools.

Evaluating and Assessing Nature-related Dependencies, Impacts, Risks, and Opportunities

ITC's operations and value chains are highly dependent on natural resources and ecosystem services and, at the same time, may also entail several impacts (both actual and potential) on the environment. For developing a comprehensive sectoral understanding of nature-related impacts and dependencies across ITC businesses, multiple TNFD-recommended tools are utilised. These include:

→ ENCORE (Exploring Natural Capital Opportunities, Risks, and Exposure) Tool
→ WWF Biodiversity Risk Filter
→ SBTN Materiality Screening Tool by Science-Based Targets Network.
→ CDP-Water Impact Index

The insights from the above tools are then supplemented with multi-stakeholder inputs from external subject matter experts and ITC's in-house biodiversity, forestry, and agri-experts.

A snapshot of the outcomes of high-level dependency-impact mapping carried out for select ITC businesses is provided below:

High Level Sectoral Dependency-Impact Map for Select ITC Businesses

	Natured-related Dependencies and Impacts	Relevance for ITC businesses
Dependencies	**Direct Physical inputs:** Ecosystem services such as provision of ground water, and other raw materials that are direct inputs to production	Ⓐ Ⓐ Ⓑ Ⓑ Ⓟ Ⓟ
	Enables production prcoesses: Ecosystem services such as pollination, soil quality, water flow matintenance, that create enabling environment for production to happen	Ⓐ Ⓑ Ⓟ
	Protects from disruption: Ecosystem services, such as storm protection, disease control, that provide protection from natural disasters	Ⓐ Ⓑ Ⓟ
Impacts	**Land / Water / Sea use change:** Potential ecosystem disruption (terrestrial, marine, freshwater) as a result of business activities	Ⓐ Ⓑ Ⓟ
	Resource Depletion: Sub-optimal utilization of water / other resource as a result of business activities	Ⓐ Ⓐ Ⓑ Ⓑ Ⓟ Ⓟ
	Climate Change: GHG Emissions	Ⓐ Ⓐ Ⓑ Ⓑ Ⓟ Ⓟ
	Pollution: Non-GHG, water, soild, solid waste	Ⓐ Ⓐ Ⓑ Ⓑ Ⓟ Ⓟ

Ⓐ *Agri Business*   Ⓑ *Branded Packaged Foods Businesses*   Ⓟ *Paperboards and Specialty Papers Business*

● *Own Operations*   ● *Value Chain*

Implementing Management Strategy in line with the UN Mitigation Hierarchy

The following table summarises a bouquet of sustained initiatives implemented by ITC's businesses, as well as by the Social Investment Programme towards managing biodiversity-related impacts in line with the UN Mitigation Hierarchy.

Avoid and Reduce

→ Robust Environment Management System across locations covering key impact parameters like GHG, air emissions, water, waste, and effluents.

→ 50% of total energy from renewable sources, and focus on reducing specific energy, GHG, and water consumption.

→ Recycling 99.8% of waste generated across operations.

→ Sustainable packaging strategy that entails ensuring 100% of packaging is reusable, recyclable, or compostable / biodegradable, optimising packaging, and introducing recycled plastic content for replacing virgin plastics.

→ Climate-smart agriculture practices over 2.79 million acres.

→ Improving crop water use efficiency across 1.50 million acres covering around 15 crops resulting in potential annual savings of 1090 million kl of water usage.

→ 'Grow your fuel model' plantations as part of energy plantations in over 89,000 acres in Karnataka and Andhra Pradesh, creating potential for 2.44 million tonnes of sustainable wood generation, thus reducing pressures on forests and other unsustainable wood sources.

Restore and Regenerate

→ Catchment treatment work done as part of water stewardship facilitates control of topsoil run-off. 1.04 million acres covered through catchment treatment to date of which over 90,200 acres were done during the year.

→ No-till / Zero tillage practices to add crop stubble back to the soil helps retain soil moisture and reduce soil erosion. During the year, as part of MSK interventions, 7.90 lakh acres of wheat were covered through zero tillage cultivation.

→ Community-driven biodiversity efforts have conserved more than 0.47 million acres to date. Technical studies have shown an increase in species richness in the biodiversity conservation plots compared to control areas, as indicated by the Shannon and Simpson Index.

→ ITC's Farm and Social forestry programmes have together greened over 1.16 million acres to date (including 0.12 million acres greened in FY 2023-24).

Offset and Transform

→ Expanding forestry projects on wastelands through ITC's Social and Farm Forestry resulting in sequestration of 5.67 million tonnes of CO_2e during the year.

→ Creating rainwater harvesting potential equivalent to over 4 times the net water consumption in operations.

→ Enabling sustainable management of ~70,000 tonnes of plastic waste more than the amount of packaging utilised.

→ Focus on recycling ~100% of waste generated at ITC Units combined with utilisation of externally generated paper waste as a source of fibre at a Paper Mill in Kovai, enabled ITC to recycle 112% of the waste generated across ITC.

Setting Nature-related Targets and Reporting Progress

As part of its Sustainability 2.0 strategy, ITC has set multiple 2030 goals that transcend various facets of nature and biodiversity across the realms of land, ocean, freshwater, and atmosphere. These include:

Biodiversity
Revive & sustain ecosystem services and products provided by nature, through adoption of nature-based solutions and biodiversity conservation covering

> 1 million acres by 2030.

Sustainable Agriculture
Promote climate smart village approach in core Agri Business catchments covering

> 3 million acres by 2030.
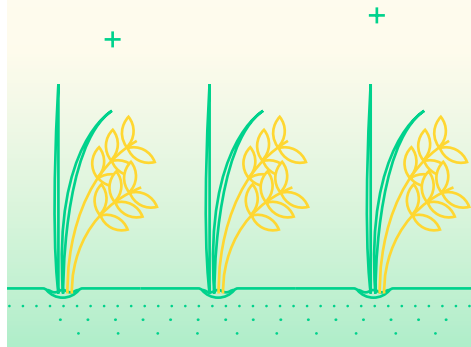
Water Stewardship
All High Water Stressed Sites
to be AWS Certified by 2035, 8 sites by 2024

40% reduction
in Specific Water Consumption by 2030 vs. 2018-19 baseline

Creation of Rainwater Harvesting Potential equivalent to
over 5 times the Net Water Consumption from Operations

Watershed Development covering
2.2 million acres, 50,000 structures and creating 60 million kl storage potential by 2030

Improve Crop Water Use Efficiency in Agri Value Chains to the tune of
2,000 million kl
of potential water savings (Annually)

Climate Change
50%
of Total Energy from Renewable Sources by 2030

100%
Purchased Grid Electricity Requirements from Renewable Sources by 2030

50%
Reduction in Specific GHG Emissions by 2030 vs. 2018-19 baseline

30%
Reduction in Specific Energy Consumption by 2030 vs. 2018-19 baseline

Sustain and enhance carbon sequestration by expanding forestry projects on wasteland
1.5 million acres
under Social & Farm Forestry by 2030

Plastic Waste & Circular Economy
Sustain
Plastic neutrality
(attained in 2021-22) by enabling sustainable management of waste in excess of the amounts of packaging utilised

100% of Packaging to be
Reusable, Recyclable, Biodegradable or Compostable by 2028
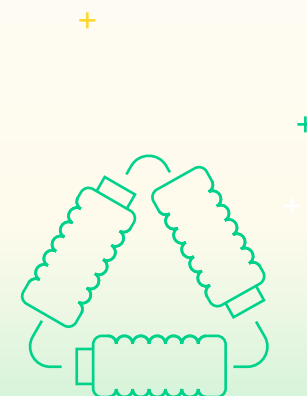
Meeting the above organisation-level targets entails the implementation of large-scale initiatives across multiple locations in line with local needs and realities. Additionally, based on further assessments and investigations of location-specific impacts, ITC will continue to address nature-related issues through TNFD-aligned biodiversity management plans and mitigation actions supported by a science-based approach. ITC is also a registered TNFD adopter and is committed to reporting its progress in line with TNFD recommendations.

L.E.A.P Approach in Action

How ITC's Paper Mill at Bhadrachalam Addresses Nature-related Aspects

Locate: The Bhadrachalam plant is situated close to the Godavari River floodplains, a fragile and dynamic ecosystem prone to flooding.

Evaluate and Assess: The key potential impacts and dependencies of the operations on nature and ecosystems have been evaluated using third-party data sets and internationally recognised tools like ENCORE. Some of these include:

→ Ground and surface water consumption
→ Air (non-GHG) emissions: Fine particulate matter (PM2.5) and coarse particulate matter (PM10), Volatile Organic Compounds (VOCs), mono-nitrogen oxides (NO and NO_2), Sulphur dioxide (SO_2), and Carbon monoxide (CO)
→ Effluent discharge
→ Wood extraction from plantation sites

The unit has taken several measures to minimise air emissions and mitigate risks related to effluent discharge.

ITC provides high-yielding clonal saplings to farmers, along with technical support and extension services for tree farming. This helps alleviate risks for farmers by providing alternate tree-based revenue.

For ITC, it ensures the supply of deforestation-free wood fibre for the Paperboards and Specialty Papers Business, which in turn supply to ITC's printing and packaging as well as FMCG businesses.

Prepare: The entire pulp-wood value chain is mapped using tech-based solutions to ensure full traceability and the Business has adopted the principles of the Forest Stewardship Council® (FSC®) across plantations.

Addressing Nature-related Risks in Agri-Value Chains

Promoting Sustainable Agriculture through Globally Recognised Standards

During FY 2023-24, ITC's Agri Business Division increased the scale and scope of crops covered under various sustainability certifications. Crops such as chilli, cumin, turmeric, celery, coffee, and mangoes were covered under Rain Forest Alliance (RFA), Global GAP, and Fairtrade certifications. Several of these crops are also certified organic under Indian and US standards.

Under these certifications, the farms are audited regularly to verify that farmers are compliant with the standard's comprehensive requirements, leading to continuous improvement on the journey to sustainable agriculture. The farmers follow the principles of sustainable farming, which include biodiversity conservation, improved livelihood and human well-being, and natural resource conservation.

With support from ITC, the farmers in Andhra Pradesh, Karnataka, Rajasthan, and Punjab undertook effective planning and farm management systems that benefit communities, forests, native vegetation, ecosystem services, and wildlife.

Key Crops	Certification	Total Land Area (in acres)
Cereals, Spices, Fruits &Vegetables (F&V)	Organic	**32,166 acres**
Coffee, Spices, Fruits & Vegetables	Rain Forest Alliance (RFA)	**12,202 acres**
Spices	Global GAP	**1,847 acres**
Fruits & Vegetables	Fairtrade	**872 acres**
Aqua: Value-added shrimp portfolio	Best Aquaculture Practices (BAP)	**173 acres**
	Aquaculture Stewardship Council (ASC) Certification	**66 acres**

Sustainable and Climate-Resilient Agriculture for details on farm-level certifications

Deforestation-free Value Chains

Enabling a 'Deforestation-free' Leaf Tobacco Value Chain

ITC Agri-Business is committed to ensuring 'Zero Deforestation' across the leaf tobacco value chain. The Business has implemented a three-pronged approach towards conserving energy and ensuring sustainable fuel management in tobacco curing. This entails the introduction of fuel-efficient technologies, the promotion of self-sustenance in meeting fuel requirements through energy plantations, and the use of alternative fuels.

Addressing Deforestation in Leaf Tobacco Value Chain

Wood sustainability and traceability - Building Custody and traceability for 100% fuelwood
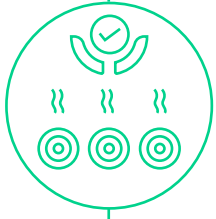
Exploring opportunities to cover wood used for curing under Indian Forest & Wood certification scheme

Monitoring, Verification & Reporting: Third-party assessment for sustainable sourcing of wood
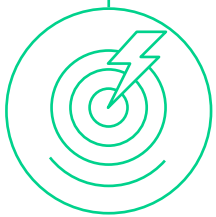
Self-sufficiency in fuel wood requirement and energy conservation in curing

→ Energy conservation measures (Barn Roof Insulation and turbo ventilators), which can reduce nearly 27% of the energy requirement during curing, are being deployed on a large scale, spanning 41,251 barns to date in Andhra Pradesh and Karnataka. In addition, nearly 200 farmers were supported with 'Venturi Furnace', which helps improve fuel efficiency during the year. The Business is promoting the adoption of Smart Curing technology by the farmers, which saves around 40% fuel in curing and substantially reduces labour requirements during tobacco post-harvest management. The technology uses digital sensors and a control panel to make tobacco curing user-friendly, efficient, and environmentally sustainable. To date, 112 smart curing barns have been deployed across tobacco-growing regions.

→ To embrace a self-sustaining model for fuel sourcing, ITC has taken up energy plantations that have covered 2.29 lakh acres to date. Grow Your Fuel models are deployed, wherein farmers are encouraged to grow trees for energy wood on farm bunds and agro-forestry models. The energy plantation programme is also being reinforced by establishing a Chain of Custody from the wood production source to consumption at the farm level.

→ Encouraging farmers to use alternate fuels from crop residues like coffee husk, coffee stems, coconut fronds, and eucalyptus roots.

Deforestation-free Pulpwood Value chain

ITC's Paperboards and Specialty Papers Business is committed to Forest Stewardship Council® (FSC®) principles. To date, ITC has received Forest Stewardship Council® - Forest Management (FSC®-FM) certification for over 1.49 lakh acres of plantations involving over 25,000 farmers, as per which all rare, threatened, and endangered species are conserved in the areas considered under the scope of certification. It also assures that methods for enhancing the biodiversity potential of the planted areas, like retention of old growth / snag trees, retention of large woody debris, creation of water bodies, agro-chemical management, etc., are being practiced. During the year, 485,000 tonnes of FSC®-certified wood were procured from these certified plantations.

485,000 tonnes
FSC®-certified wood were procured from the certified plantations

ITC's Community-centric Approach to Biodiversity

Biodiversity is a critical natural resource that has a direct bearing on the sustainability of agriculture and allied livelihoods. ITC's agri-value chains and biodiversity are interrelated and hence biodiversity conservation in agri-catchments is important to ensure that nature is protected, and the ecosystem services provided by nature continue to flow.

Page 160 *Mission Sunehra Kal for Sustainable and Inclusive Growth*

ITC undertakes its social interventions through its Social Investments Programme (SIP). The stakeholders residing in **catchments of factory locations** and **agri-business value chains** are covered in these programmes. These communities primarily consist of **small and marginal farmers, landless, daily wage labourers, women,** and **other vulnerable and underprivileged** sections of society.

ITC's community-centric biodiversity conservation is implemented to sustain agriculture and rural livelihoods and benefit the rural communities that depend on the ecosystem services offered by nature and the local biodiversity for their livelihoods. Thus, establishing a linkage between biodiversity and livelihoods makes it meaningful for communities to work for biodiversity conservation.

Restoration and Rehabilitation of Degraded Plots

Mosaic Restoration

ITC implements community-driven biodiversity conservation through the adoption of Nature-based Solutions which is also an integral component of supporting climate-resilient agriculture. **ITC focusses on biodiversity conservation at the landscape level by restoring degraded village commons, promoting the plantation of native species, and reducing pressures on forests.** Restoration of village commons is currently the major component, and the work includes social protection by communities to expedite in-situ native rootstock regeneration, and soil and moisture conservation. In highly degraded patches where in-situ regeneration is not possible, trees of native species are planted.

Sustainable Agriscapes: Revival of Ecosystem Services for Agriculture

In addition to the work done on biodiversity conservation in plots, ITC has also collaborated with the International Union for Conservation of Nature (IUCN) to develop a template for 'Sustainable Agriscape for Future'. Ecosystem services are a flow of benefits provided by nature to businesses and society. In this case, ecosystem services that benefit agricultural activities and livelihoods are mapped, examples include regulating the hydrological cycle for year-round water flow in streams, hosting pollinators and predator birds (on crop pests), improving soil microbial health, and providing food, fodder, and fuelwood for the local communities. Subsequently, plans to revive those services are designed and implemented. Sustainable Agriscape was first piloted in Munger district (Bihar) and, is now being scaled up in Maharashtra and Tamil Nadu catchments, covering close to 75,000 acres of forest cover.

To date, ITC has taken up revival and conservation work in more than 7,500 biodiversity plots covering close to 0.47 million acres spread across 10 States by involving farmers and community members. As per two technical studies done in the previous year, above-ground carbon stocks were higher in the range of 15% to 148%, and average soil organic carbon was higher in the range of 20% to 38% across different agro-climatic zones compared to that in control areas, and the Shannon Index (Diversity of species) was in the range of 2.55 to 3.87 (measurement range is 0.1 to 5), denoting fairly good floral diversity in the plots.

Piloting Mangrove Conservation in Coastal Regions

A programme was launched during the year, covering around 500 acres for mangrove conservation in Bapatla and Prakasam districts of Andhra Pradesh.

Mangrove forests are coastal ecosystems considered to have higher carbon sequestration potential as compared to conventional forests. Mangroves need to be conserved in the face of degradation and encroachments. The programme involves restoration activities for degraded mangroves as well as the planting of native mangrove species.

Institutional Partnerships

ITC is a member of the India Business and Biodiversity Initiative (IBBI), a multi-stakeholder initiative with leading Indian businesses committing to biodiversity conservation and sustainable resource use. As a member of IBBI, ITC is actively involved in consultations and piloting the Nature-related Financial Disclosure (TNFD) framework, proactively working towards aligning its reporting and calibrating its practices in line with evolving stakeholder expectations.

Road Ahead

In the backdrop of the landmark COP 15 of the Convention on Biodiversity and the 2030 targets adopted by nations, ITC is committed to:
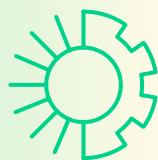
Managing Biodiversity Impacts and Dependencies

ITC will systematically map the impacts and dependencies, including the underlying nature-related risks and opportunities, across key locations and value chains. The Company will continue to manage the impacts in line with the mitigation hierarchy.

Meeting 2030 Sustainability 2.0 Commitments

Continue to expand ITC's large-scale programmes

- for conserving and replenishing nature by expanding the climate-smart village approach to **over 3 million acres,**
- watershed development to **over 2.2 million acres,**
- social and farm forestry programmes to **over 1.5 million acres, and**
- biodiversity conservation to **over 1 million acres by 2030**

TNFD aligned Nature-related Disclosures

ITC will publish disclosures aligned to the Locate, Evaluate, Assess, and Prepare (LEAP) approach enshrined in the Task Force on Nature-Related Financial Disclosures (TNFD) framework for strengthening its nature-related disclosures.

Approach to Sustainability 2.0

Environmental Stewardship

Social Stewardship - Sustainable & Inclusive Growth

Annexures

Water Security

Rising population, urbanisation, and economic growth coupled with climate change significantly affect the availability, quality, and access to water in the world. In India, added dimensions of reliance on an increasingly unpredictable monsoon, diminishing groundwater resources, and changes in land use patterns further accentuate the water crisis.

ITC's manufacturing locations, spread throughout the country, rely on the continuous availability of water for uninterrupted operations. Besides direct water consumption, ITC Businesses depend on multiple agricultural value chains. Recognising the importance of water availability for its operations and the catchments from which agricultural commodities are sourced, ITC's Sustainability 2.0 approach centres on enabling water security for all stakeholders in its catchments. ITC actively works with farmers, a crucial part of its supply chain, to conserve and replenish water by promoting water-efficient agronomic practices like micro-irrigation techniques and working with them to create infrastructure for rainwater harvesting.

Highlights

ITC entered the Prestigious A List
for CDP Water 2023

ITC spearheading adoption of Alliance for Water Stewardship (AWS) Standard in India

7 out of 11
AWS-certified sites in India are ITC sites with all 7 being Platinum level

ITC Sites are the only Platinum level AWS Certified Sites in India
→ Food Unit at Malur, Karnataka - 1st Food & Beverage Facility in Asia to receive Platinum Certification, followed by Food Unit at Ranjangaon, Maharashtra
→ Green Leaf Threshing (GLT) Unit at Mysuru, Karnataka - 1st GLT in the world to receive Platinum Certification
→ Cigarette Unit at Pune, Maharashtra - 2nd Cigarette Unit in the world to receive Platinum Certification, followed by Cigarette Units at Bengaluru, Karnataka and Saharanpur, Uttar Pradesh
→ Paper Mill at Kovai (Tamil Nadu) - 1st Site in India and 2nd Globally to receive Platinum AWS certification

First four hotels in the world to receive LEED® Zero Water Certification by the US Green Building Council
→ ITC Rajputana, Jaipur,
→ ITC Mughal, Agra,
→ ITC Sonar, Kolkata
→ ITC Maurya, Delhi

LEED Zero

ITC has implemented Integrated Watershed Development Projects across

1.63 million acres

Total rainwater harvesting potential (RWH) of

~55 million kl
(cumulative) created, which is ~4 times the net water consumed by ITC's operations in FY 2023-24

Reviving India's river basins
ITC has successfully implemented projects in **four river basins** to address the water balance gap

Work continued in the Ghod basin (Maharashtra), Kolans basin (Madhya Pradesh), Upper Bhawani basin (Tamil Nadu) and Murreru basin (Telangana) and recently work has been initiated in South Pennar basin (Karnataka)

ITC's Integrated Water Stewardship Approach in Action
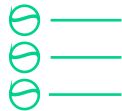
ITC has adopted a collaborative water stewardship approach to achieve long-term water security. While all ITC Units focus on using water responsibly, the Social Investments Programmes implemented in catchments work towards improving both supply augmentation and demand management aspects. Considering ITC's pan-India operations, special focus is accorded to Units in water-stressed regions. A multi-dimensional approach for conducting water risk assessments has been adopted. At the portfolio level, these risks are reviewed annually and reassessed periodically (every 2-3 years).

ITC's Multi-dimensional Approach to Assessing Water Risk

1 Ground Water Extraction Status *Central Ground Water Board Data*	**2** Baseline Water Stress *Total Demand Vs Supply (WRI Aqueduct)*	**3** Water Quality-related Aspects	**4** Future Drought Risk *From Climate Models*	**5** Social Aspects & Local Context *From Stakeholder Engagement*
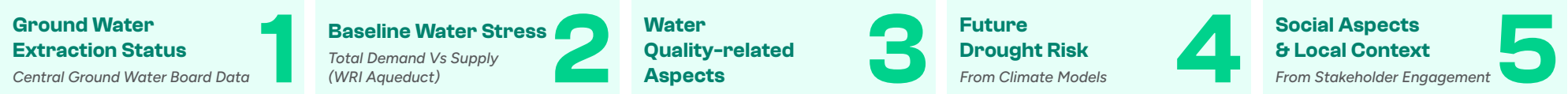
For sites exposed to high water risk, ITC's approach entails developing an **in-depth understanding of the environmental and social aspects of water resources** at the **catchment, sub-catchment or micro-watershed level** where it is located, which is achieved through **detailed hydrological and hydrogeological studies and stakeholder engagement processes,** respectively.

ITC's approach to enabling water security for all is summarised below:

	Core Operations –Manufacturing Units, Hotels	Upstream – Agri-Value Chains
Supply Side Management	**Establishing Rainwater harvesting systems** thereby, reducing reliance on other freshwater / groundwater resources **Constructing structures for rainwater recharge** to facilitate the infiltration of rainwater into the ground, consequently enhancing groundwater levels	**Implementation of integrated watershed level programmes** to augment water availability in the entire catchment and up to the river basin level **Working with farmers for creating rainwater harvesting structures** to enhance the availability of water in agri-catchments
Demand Side Management	**Improving water-use efficiencies** by adopting the latest technologies and increasing reuse and recycling practices in operations **Continual improvement in specific water withdrawal** and adoption of benchmarked practices **Making water security assessments an integral part** of greenfield / brownfield project design and development	**Working towards water-positive agri-value chains by promoting crop water use efficiency** in ITC core crops leading to water savings and high crop yields

The **Alliance for Water Stewardship (AWS)** framework has been adopted by ITC to ensure water security for all stakeholders at the catchment level and continuously monitor and review the efficacy of its water stewardship programmes. As part of its S2.0 target, ITC is targeting AWS certification of 8 sites in high water stressed areas by 2024 and all such sites by 2035.

Water Performance in Own Operations

In FY 2023-24, ITC's total water withdrawal was around 35.9 million kilolitres (kl), a marginal increase of 4% as compared to the previous year due to the commissioning of a new pulp mill at Bhadrachalam Paper Unit and stabilisation of a new paper machine at Tribeni Paper unit. These developments necessitated commissioning trials, including cleaning and flushing of piping equipment.

Total Water Withdrawal by Source

In FY 2023-24, out of the total water withdrawal of 35.9 million kl, around 79% was sourced from surface water and rainwater, 16% from groundwater sources, and the remaining 5% from third-party water sources. To drive continuous improvement, all ITC units have systems to monitor specific water consumption (total water withdrawal per unit of product / service).

Sources of water *(million kl)*

	Surface water	Ground water	Third Party
Fresh Water	28.2	5.3	1.7
Other Water		0.6	0.1

■ Fresh Water   ■ Other Water
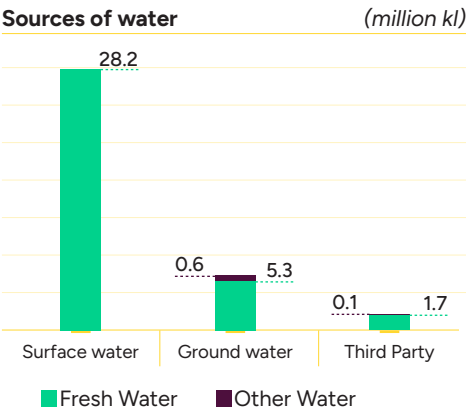
In FY 2023-24, ITC has successfully substituted ~61,000 kl of fresh water with rainwater and treated wastewater.

Continuous Improvement in Water Use Efficiency in ITC's Personal Care Business

During the year, the Personal Care Products Business has realised an annual cumulative savings of 10,680 kl by executing a range of interventions to optimise water usage across its factories. These interventions included recycling water in the mixer jacket back to the cooling tower instead of sending it to ETP and using a specially designed spray ball to minimise water usage in cleaning. Additionally, the reverse osmosis (RO) reject water, which was earlier sent to the ETP, is now being reused after treatment in a softener unit, thereby decreasing the consumption of groundwater.

10,680 kl
Annual cumulative savings

Water Risk Management at ITC's Food Factory in Malur, Karnataka

The Malur region, due to severe water scarcity, is designated as an over-exploited groundwater block by the Central Ground Water Board (CGWB). The daily water requirement of 180 kl compelled ITC's food factory in Malur to completely depend on external water suppliers to meet its demand, resulting in a substantial expense of Rs. 185 per kl. In response to this crisis and to mitigate costs, the Malur Unit implemented a rainwater harvesting strategy that involved the construction of underground tanks with a total capacity of 430 kl. This initiative has resulted in an estimated annual rainfall collection potential of 16,000 kl, satisfying approximately 28% of the unit's total water demand.

16,000 kl
Annual rainfall collection potential

Demand Side Management

Effluent Discharge

During FY 2023-24, all ITC Units met their regulatory requirement related to effluent discharge quality and quantity.

Treated Effluent Discharge by Destination

0.4%   0.4%

46.9%

52.3%
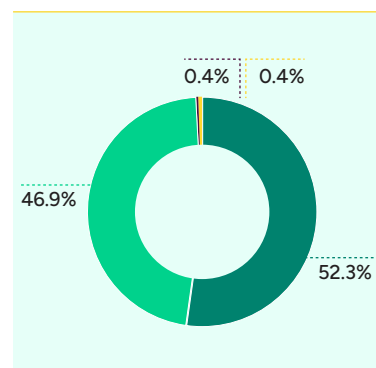
- ● Surface Water Bodies
- ● Irrigation Outsides premises
- ● Common ETP or Third Party
- ● Municipal Sewage

In FY 2023-24, around 21.9 million kl of treated effluent was discharged outside the premises by ITC Units leading to a net water consumption of 14 million kl.

Sustainability 2.0 Target: Improvement in Specific Water Consumption[1]

To pursue continuous improvement in water performance in line with the Sustainability 2.0 ambitions, ITC Businesses are targeting a reduction of 40% in Specific water consumption by 2030 compared to an FY 2018-19 baseline.

ITC Businesses[2]	Specific Water Consumption[3] Performance			Water Intensity[4] (net of discharge) FY 2023-24
	Business' Share (%) in ITC's Total Water Consumption	Specific Water Consumption FY 2023-24	% Reduction Vs. FY 2018-19	
Paperboards and Specialty Papers Division	90%	30.15 kl/tonne	**11% ↓**	8.33 kl/tonne
Hotels[5]	5%	1.92 kl/m²	**16% ↓**	1.78 kl/m²
Branded Packaged Foods Businesses	3%	2.02 kl/tonnes	**34% ↓**	1.89 kl/tonnes
FMCG Cigarettes[6]	1%	2.59 kl/MNC	**27% ↓**	2.59 kl/MNC

↓ Improvement in KPI   ↑ Decline in KPI

[1]Performance against S2.0 targets reported on a standalone basis
[2]Other businesses such as Personal Care, Matches & Agarbatti, Education and Stationery, Agri-Business, Packaging and Printing businesses together contribute to ~1% of total water consumption.
[3]Specific water consumption is total water withdrawal (kl) per unit of output (e.g., tonnes of production)

[4]Water intensity is calculated as net water consumption / total production where net water consumption = freshwater withdrawal – discharge.
[5]For Hotels, specific water consumption is kl of water withdrawal per sq. m of built-up area
[6]For FMCG Cigarettes, specific water consumption is kl of water withdrawal per million cigarettes

Water Performance of Select Supply Chain Members

In FY 2014-15, ITC initiated the process of accounting for water withdrawal by supply chain members[7]. In line with ITC's Policy on Sustainable Supply Chain and Responsible Sourcing, the Company continues its efforts to enable sustainability practices along the value chain. In FY 2023-24, total water withdrawal by supply chain members was 113,341 kl (vs. 105,062 kl reported in FY 2022-23). ITC intends to progressively include more supply chain members in the reporting boundary. Capacity building and regular reviews of performance will be continued with key supply chain partners in the coming years.

Demand Side Management in Agriculture

In the agri-catchments, the focus is on drought-proofing agriculture by reducing crop-water demand through agronomic practices for improving soil water-holding capacities and improved irrigation techniques (drip irrigation, augmenting water supply through rejuvenation and / or the creation of water harvesting and recharge structures). Water-efficient agri-practices promoted by ITC have been adopted by farmers on close to 1.5 million acres during the year across 12 States. These practices have potentially saved around 1090 million kl during the year (based on various studies conducted).

[7]*Details of supply chain members is included in the reporting boundary in 'About this Report' section*

Towards Water-Positive Agri-Value Chains

ITC has embarked on a mission to create a positive water footprint across its key agri-value chains-wheat, tobacco, and pulpwood which together account for around 75% of ITC's total embedded water consumption from agri-based raw materials. Promoting water use efficiency during cultivation is the foundation of this endeavour, and the focus is on the key crops listed earlier and other crops cultivated in the same catchments. Besides substantial water savings, these practices also contribute towards enhancing farmer livelihoods by improving yields and consequently farmer income, as well as reducing costs and are also carbon efficient as compared to conventional practices. The package of practices is developed along with knowledge partners such as ICAR, who also assess the impact on livelihoods, unit water savings, and GHG emissions. The crop-wise approach is summarised below:

Key Crop	Water-Efficient Practices for Key Crop	Water-Efficient Practices for Other Crops Cultivated in the Same Catchments	Geographic Focus
Wheat	Zero tillage and Broad Bed Furrow for Wheat	Direct Seeding of Rice (DSR) and Alternate Wetting & Drying (AWD) for Rice and Broad Bed Furrow method for Soya, the two major Kharif season crops cultivated in Wheat catchments.	Growing regions in UP, Bihar, MP, Rajasthan, Maharashtra and Punjab
Pulpwood	The scope for conserving water in irrigation practices is limited for pulpwood as it is rainfed.	Direct Seeding of Rice (DSR) and Alternate Wetting & Drying (AWD) for Rice and Micro-irrigation in Chilli, the two major irrigated crops in the same catchments.	Growing regions in Telangana, Andhra Pradesh and Odisha
Tobacco	Similar to Pulpwood, Tobacco is also mostly rainfed, leaving little room for water conservation in irrigation practices except at the nursery stage.	Micro-irrigation in chilli and other orchard crops and Seedling Plantation in Sugarcane.	Growing regions in Andhra Pradesh & Karnataka

In FY 2023-24, water-efficient agri-practices promoted by ITC have been adopted by farmers across nearly 1.5 million acres spanning 15 crops. These practices have potentially saved ~1090 million kl of water during the year as compared to conventional practices.

Supply Side Management

Integrated Watershed Development

Over the years, ITC has created rainwater harvesting potential through extensive investments in its Integrated Watershed Development Projects. The programme promotes the development and management of local water resources in moisture-stressed areas by facilitating community participation in planning and implementing such measures while building, reviving, and maintaining water-harvesting structures. Furthermore, considering the escalating water stress in urban catchments, ITC has also directed its attention towards comprehending the complexities of urban water stress. As a result, measures have been put into action to manage water stress in two of ITC's urban catchments (Bengaluru and Tiruvottiyur), where the Company's Units are situated.

The coverage of the Integrated Watershed Development projects extends to over 1.63 million acres of land. As of March 31, 2024, a total rainwater harvesting potential (RWH) of over 54 million kl has been created. In addition, ITC also strives to maximise the water recharge capacity within its own premises. Through various rainwater harvesting initiatives, ITC has established an annual rainwater harvesting potential of 1 million kl within its Units.

Sustainability 2.0 Target: Creation of Rainwater Harvesting Potential[8]

ITC is targeting the creation of rainwater harvesting potential equivalent to over 5 times the net water consumption from operations by 2030.

The total rainwater harvesting potential created by ITC is over 4 times the net water consumption in FY 2023-24

Water Balance: Net Water Consumption Vs Total RWH Potential   *(million kl)*

Net water consumption	Total RWH potential created (for the year)
13	55
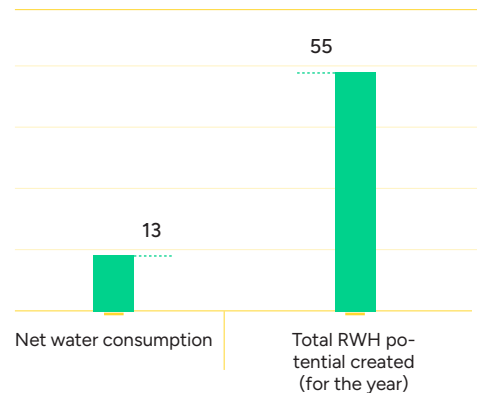
[8]Performance against S2.0 targets reported on a standalone basis

Reviving India's River Basins: Targeting Water Positivity at Scale

Increasing demands on water resources from various sectors, including agriculture, and global warming-induced patterns are impacting many of India's river basins by turning the water balance negative, thus impacting agriculture and leading to water stress and depletion in groundwater tables in catchments, including where ITC's production units are present. Over the years, ITC has created rainwater harvesting potential through extensive investments in its Integrated Watershed Development Projects. However, given the scale of adverse impacts and the velocity of change, ITC has redesigned its strategy to accelerate the achievement of scale and impact by working at the river basin level, as river basins are independent hydrological units, and work done at the basin level is designed to be sustainable over a longer period of time. ITC has now embarked upon an ambitious plan to achieve water-positive status at the river basin level.

Accordingly, ITC has initiated five exclusive river basin revival programmes to achieve water-positive status in river basin / sub-basin areas spread across five states where ITC has an operational presence. The Company has commissioned hydrogeological studies to estimate water balance and map high-potential recharge zones and accordingly implemented rainwater harvesting, managed aquifer recharge, and demand-side interventions.

Objectives of the River Basin Revival Programme

→ Delineate the river basins and conduct detailed water balance estimations considering the current state and future projections.

→ Subsequently, develop strategies to achieve water positivity in river basins, ensuring the needs of all stakeholders are met.

→ Collaborate with knowledge partners such as WWF India, ACWADAM, and the International Water Management Institute (IWMI) for technical studies

→ Create an eco-system wherein, at the basin level, all stakeholders are aware of available water resources, competing demands, and future risks to make informed decisions to ensure that the current and future needs of all stakeholders are equitably addressed.

→ Implement on-ground actions with community participation to enhance targeted water supply and manage demand:

  – Augment supply through rainwater harvesting and enhanced groundwater recharge i.e., managed aquifer recharge.

  – Demand management by promoting practices to enhance agricultural water use efficiency, which improves farm economics. Engage with institutions for water use efficiency in agriculture, such as Tamil Nadu Agricultural University (TNAU), Indian Institute of Rice Research, Vasant Dada Sugar Institute, and other relevant stakeholders, including Government agriculture and irrigation departments, micro-irrigation companies, and sugar mills, to ensure large-scale adoption necessary to achieve basin water positivity

→ Finally, achieve water-positive status, ensure environmental flows in the basin, and internalise these efforts within the community.

Supply Side Management

Main River Basin	Sub River Basin (where ITC is working)	Districts	ITC's Presence	Catchment Area	Ongoing Impact Created
Bhima-Krishna	Ghod (Tributary of Bhima- Krishna river)	Pune and Ahmed Nagar district, Maharashtra	Cigarette Factory and Foods Factory in Pune	**~ 8.8 lakh acres area**	**Supply side augmentation** ITC has till date created 8 million cubic metre of water storage in these four basins as part of supply side augmentation interventions. **Demand side management** Water use efficiency in agriculture is promoted in over 1.76 lakh acres of agricultural land, which has created potential water saving of over 254 million kl in crops such as paddy, soyabean, sugarcane, onion, banana, wheat, coconut and curry leaf
Godavari	Murreru (Tributary of Kinnerasani - Godavari)	Bhadradri Kothagudem, Telangana	Paperboards and Specialty Papers Division in Bhadrachalam	**~ 2 lakh acres area**	
Kaveri	Upper Bhawani (Tributary of Kaveri)	Coimbatore district, Tamil Nadu	Paperboards and Specialty Papers Division in Kovai	**~ 0.51 lakh acres area** (Upper Bhawani)	
Kolans	Catchment of Upper Bhopal Lake	Sehore and Bhopal district, Madhya Pradesh	Agri-Business Division Catchment	**~ 0.49 lakh acres area**	

In addition, ITC has begun work in the South Pennar River basin, which spans Karnataka and Tamil Nadu. To ensure the effectiveness of this new expansion, ITC has sought a detailed basin-level study from the Indian Institute of Science (IISc), Bangalore, and subsequent work will be taken up in the basin as per the recommendations.

Spearheading Adoption of Alliance for Water Stewardship (AWS) Approach in India

ITC is spearheading the implementation of the Alliance for Water Stewardship (AWS) standard, which is a credible, globally applicable, and recognised framework for ensuring sustainable water management within the wider water catchment context.

Till date, seven ITC Units have been certified as per AWS Standard, and all have been awarded the highest 'Platinum Rating' based on an independent assessment by a third party, as highlighted below. Out of 11 AWS-certified sites in India, 7 belong to ITC, and these are the only Platinum-level AWS-Certified Sites in India. These include:

2019
→ **Paper Mill at Kovai (Tamil Nadu)** - 1st Site in India and 2nd Globally to receive Platinum certification. (Recertified in 2023)

2022
→ **Food Factory at Malur (Karnataka)** – 1st Food & Beverage Facility in Asia to receive Platinum Certification

2023
→ **Food factory at Ranjangaon (Maharashtra)** - 4th Food & Beverage Facility in Asia to receive Platinum Certification

2024
→ **Cigarette Factory at Pune, (Maharashtra)** - 2nd Cigarette Factory in the world to receive Platinum Certification
→ **Cigarette Factory at Bengaluru, (Karnataka)** - 3rd Cigarette Factory in the world to receive Platinum Certification
→ **Cigarette Factory at Saharanpur (Uttar Pradesh)** - 4th Cigarette Factory in the world to receive Platinum Certification
→ **Green Leaf Threshing (GLT) Unit at Mysuru, (Karnataka)** -1st GLT in the world to receive Platinum Certification

Note: Details for all ITC Sites undergoing AWS Certification (including identified high water-stressed sites) are provided in the 'Annexures' section of this Report.
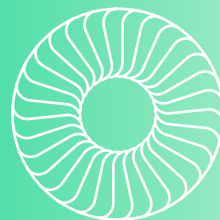
Road Ahead

Ongoing Water Risk Assessment

Periodic site-level vulnerability assessment to identify high water-stressed sites including consideration of climate change-driven risks, and deployment of interventions for mitigating water stress.

Demand side Management

Continued efforts to minimise freshwater consumption, while maximising reuse and recycling of treated effluent across all manufacturing units and hotels.

Working with farmers to reduce water consumption through water-efficient irrigation and farm practices.

Supply Side Management

Strengthen the integrated watershed management programme, and further expand coverage in line with S2.0 targets.

Continuous Assessment for Validating the Efficacy of Interventions

Internal as well as external / third-party validation of approach, efforts, and water stewardship outcomes.

Expand coverage of Alliance for Water Stewardship (AWS) Certification for all facilities in high water-stress areas by 2035

Approach to Sustainability 2.0

Environmental Stewardship

Social Stewardship - Sustainable & Inclusive Growth

Annexures

Towards Circularity

According to the latest Circularity Gap Report, the global economy has achieved only 7.2% circularity. This means that of the 100+ billion tonnes (World Resources Institute) of resources that enter the global economy every year, more than 90% of materials are either wasted, lost, or unavailable for reuse. Even in India, waste generation has risen considerably due to increasing population, rapid urbanisation, and rising consumption levels. This, coupled with inadequate source segregation and a lack of infrastructure, has culminated in a massive waste management problem, especially with respect to plastic waste.

Given ITC's significant presence in the FMCG space, plastic packaging is utilised to safely deliver the Company's world-class products to its consumers. Therefore, in addition to sustainably managing waste generated within manufacturing facilities, management of post-consumer plastic packaging waste and making packaging more sustainable are also key elements of ITC's Sustainability 2.0 vision. As a leading Paperboards, Paper & Packaging company, ITC is also leading the way by introducing more recyclable and sustainable packaging solutions in the market, including innovative paperboard-based renewable plastic substitution solutions.

Highlights

Plastic Neutral

for third year in a row

Collected and sustainably managed

~70,000 tonnes

of plastic waste in FY 2023-24

Independent third-party assurance for plastic neutrality status starting with FY 2022-23, thereby ensuring the integrity of underlying processes and data
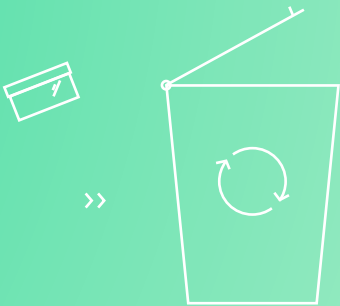
Running Behavioural Change Programmes to Ensure Source Segregation: ITC's programmes have reached out to more than

11.4 million

households to date and have collected and sustainably managed more than

460,000 tonnes

of solid waste in FY 2023-24

ITC Packaging and Printing Business won

8 WorldStar Packaging Awards

Awards in the last 3 years by the World Packaging Organisation (WPO)

ITC's Paper Mill in Kovai utilised nearly

89,000 tonnes

of external wastepaper as raw material in FY 2023-24

Over 99%

of waste generated in operations sent for recycling in FY 2023-24

State-of-the-art premium Moulded Fibre Products manufacturing facility in Badiyakhedi, Madhya Pradesh commissioned by ITC Fibre Innovations Limited, ITC's wholly owned subsidiary

The facility specialises in moulded fibre products, made from renewable natural fibres such as wood / bamboo or bagasse, offering sustainable packaging solutions across industries including food service & delivery, pharmaceutical, beauty, and electronics

As part of its Sustainability 2.0 vision, ITC takes a holistic approach towards enabling the circular economy for waste by focussing on the entire waste value chain.

›› ››

›› ITC's Approach

1 Sustainable Packaging Strategy

Spanning FMCG and Paperboards & Packaging Businesses

Better Plastics: Ensuring 100% of packaging is recyclable, reusable or compostable / biodegradable

→ Improving recyclability of multi-layer laminates
→ Exploring sustainable alternatives including bio-based compostable plastics
→ Exploring reusable / refillable models

Less Plastics: Optimising packaging

→ Progressive reduction in plastic packaging intensity
→ Introducing recycled content in plastic packaging
→ Leveraging Life Cycle Assessments

No Plastics: Exploring sustainable alternatives to plastics

→ Complete or partial substitution of plastics with sustainable alternatives
→ Exploring paper as a substrate for packaging

2 Sustainable Waste Management & Plastic Neutrality

Running behavioural change programmes to ensure the segregation of waste at source

Creating replicable, scalable, and sustainable models of solid waste management

Enabling the creation of viable recycling options for post-consumer multi-layered plastic packaging waste

3 Sustainable Process Waste Management across Operations

Segregation of waste at source, and channelising it to suitable recycling streams

Reducing specific waste generation at all ITC Units through constant monitoring and improvement of material utilisation efficiency

Utilisation of Wastepaper as Raw Material at ITC's Paperboards and Specialty Papers Units

Approach to Sustainability 2.0

Environmental Stewardship

Social Stewardship - Sustainable & Inclusive Growth

Annexures

ITC's Sustainable Packaging Strategy

ITC's Packaging Footprint

ITC's annual packaging footprint from its FMCG businesses across primary, secondary, and tertiary packaging formats is around 233 kilo tonnes and is primarily composed of paper / paperboard-based packaging (69%), followed by plastic packaging (30%). Glass and metal form a small portion of the overall packaging footprint, contributing less than 1%. Around 17% of paper packaging is FSC®-certified and over 56%, in the form of Corrugated Fibre-board Cartons (CFCs), is made from recycled material. In terms of plastic packaging, around 92% is in the form of flexible plastic packaging, and the balance is composed of PET and other rigid plastics.

Pie chart:
- Plastic Packaging — 30%
- Glass and metal — 1%
- Paper / paperboard-based packaging — 69%
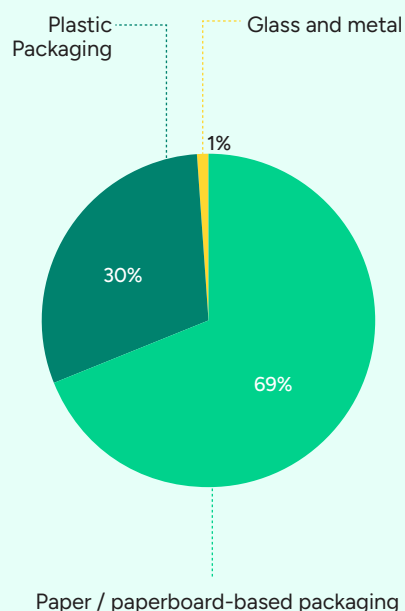
Comprehensive Approach to Sustainable Packaging Leveraging In-house Expertise and Synergies

As part of its sustainable packaging strategy, ITC is leveraging its unique in-house capabilities and expertise in the form of:
→ Centre of Excellence in Material Sciences and Recycling at Life Sciences and Technology Centre (LSTC), ITC's Research & Development Centre.

→ Sustainable and Circular Design Expertise of packaging experts from Paperboards & Specialty Papers Division, Packaging and Printing Division, and FMCG businesses.
→ Consumer insights of FMCG businesses.

→ Sustainable Waste Management experience developed within the Company through the MSK and WoW initiatives.

ITC's approach to sustainable packaging involves:

Better Plastics

Ensuring 100% of packaging is reusable, recyclable, compostable or biodegradable

Improving recyclability of multi-layer laminate packaging by reducing the complexity of the structure and phasing out hard-to-recycle plastics.

Exploring alternative packaging materials with lower environmental impact, including bio-based compostable plastics.

Exploring refillable / reusable models.

Less Plastics

Optimising packaging in a way that reduces the environmental impact arising from post-consumer packaging waste without affecting the integrity of the product.

Progressive reduction in plastic packaging intensity over time.

Introducing recycled content in plastic packaging, wherever permitted by regulations.

Evaluating the life cycle impacts of packaging and identifying opportunities for improvement using tools like Life Cycle Assessment studies.

No Plastics

Exploring sustainable alternatives to plastics

Leveraging synergies between LSTC, paper and packaging, and FMCG businesses for developing solutions that enable complete or partial substitution of plastics with sustainable alternatives.

Exploring paper as a substrate for packaging.

Sustainable Packaging Highlights

Better Plastics

Bingo Large Packs

have made a shift from Multi-Layered BOPP / Metallised PET / PE to polyolefin recyclable laminates in certain variants, thereby enhancing the packaging's recyclability.

Fiama Handwash Pouch

(350 ml SKU)
is now available in a recyclable mono-material pouch, transitioning from a hard-to-recycle multi-layered spouted stand-up pouch. With this shift, ITC became the first in India to launch a recyclable spouted stand-up pouch in the personal wash liquid category.

Mangaldeep 3-in-1 Scent

portfolio transitioned to 100% mono-material laminates from multi-layered plastic laminates.

Less Plastics

ITC's FMCG Business, has achieved an absolute Plastic reduction of more than

1,770 tonnes

in their Packaging as compared to FY 2022-23 baseline through a series of strategic interventions.

Fiama Shower Gel Bottle

Through initiatives in design and weight optimisation, Fiama Shower Gel Bottle (250ml SKU) successfully managed to reduce its packaging weight by 10%, resulting in a reduction of 7.78 tonnes of plastic.

Mangaldeep Ziplock Packs

have now incorporated 20% Post-Consumer Plastic Recyclate (PCR) content, marking a first in the Agarbatti industry to apply PCR in laminates. The packaging has been further enhanced for recyclability by shifting from a PET / Metallised PET / PE structure to a BOPP / Metallised BOPP / PE structure.

70% recycled content in the PET layer of the wrapper

Incorporating Recycled Plastic Content in Packaging Across the Personal Care Portfolio

ITC's Personal Care Products Business has been leading the way in incorporating recycled materials into their plastic packaging. The Business introduced Savlon Wet Wipes, which feature a PET layer with 70% Post-Consumer Plastic Recyclate (PCR). This initiative resulted in a decrease of 83.5 metric tonnes in virgin plastic use in FY 2023-24. Additionally, the Engage Perfume Spray 120 ml PET bottle was launched with 50% PCR, leading to a further reduction of 32.3 metric tonnes in virgin plastic consumption in the same year. The business has also increased the PCR content in the LDPE Bundling film for the Fiama Shower Gel bottle from 50% to 70%, leading to a reduction in virgin plastic consumption.

Recycled Content increased from 50% to 70% in the bundling films for Fiama Shower Gel Bottles

Engage Perfume Spray 120 ml PET bottle was launched with **50% Recycled Plastic**

Sustainable Packaging Highlights

No Plastics

Aashirvaad Namma Chakki Customised Atta

In an industry-first initiative, a premium paper-based pack for Aashirvaad Namma Chakki Customised Atta was developed, replacing over 70% of the plastic content using special kraft paper and minimal polyethylene lining for sealing purposes.

Mangaldeep Temple Series

ITC's Mangaldeep Temple Series has eliminated the plastic layer in its secondary packaging and transitioned the primary packaging from 100% plastic-based (BOPP Met BOPP) to more than 80% paper-based. This packaging has also won the Sanctum & Divinity SIES SOP Star Awards 2023.

Recyclable File folder under the Paperkraft Brand

ITC's Life Science & Technology Centre and Education & Stationary Business jointly developed a paper board-based, recyclable File folder under the Paperkraft Brand, with a compostable coating as a replacement for BOPP lamination. This folder provided an eco-friendly option to consumers as a substitute for conventional plastic-based folders.

ITC's Sunfeast Dark Fantasy Choco Fills

ITC's Sunfeast Dark Fantasy Choco Fills (50g, 100g, & 150g SKU) and Dark Fantasy Vanilla Fills (20g & 60g), in collaboration with ITC's Packaging & Printing Business, have successfully phased out the use of PET film in their secondary packaging, replacing it with metallic ink through the advanced Sheet-fed Gravure printing technology.

Revolutionising Packaging in the Biscuit Industry:

Launch of Sunfeast Farmlite Core Digestive 800g in Paper Outer Bag

The biscuit industry has always relied on 100% plastic bags as the go-to packaging solution. These bags, while efficient in maintaining the product's quality, were a significant environmental concern due to their non-biodegradable properties.

ITC Foods Business made a game-changing move by launching the Sunfeast Farmlite Core Digestive (800g Pack) in a 100% paper outer bag. This bag was crafted using high-strength paper and featured a pressure-sensitive sealing capability and a convenient carrying feature. Notably, the bag was engineered to be sturdy and resistant to tearing, all without the need for any polyethylene sealant.

Sunfeast Farmlite Core Digestive (800g):
100% Paper outer bag

ITC's FiloPack: A Game-Changer in Annapoorna's Eco-friendly Packaging Journey

Annapoorna, a 55-year-old legacy pure vegetarian restaurant chain in Coimbatore, wanted to enhance its packaging to match the quality of its dishes and align with its eco-friendly brand image. The initial packaging had issues with food sticking to the carton and was not environmentally friendly due to its plastic lining.

In response, ITC's Paperboards business collaborated with the box manufacturer to introduce a new design based on "FiloPack" a certified recyclable and industrially compostable paperboard. This solution provided a high grease and oil barrier, effectively addressing the previous issues.

Despite the higher cost, the new packaging was an immediate success across Annapoorna's 21 outlets. It not only met the standards of cleanliness and hygiene but also enhanced the brand's reputation for quality and environmental responsibility.
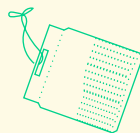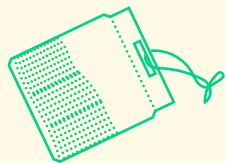
Transforming Tea Bag Envelopes: A Transition from Plastic to Eco-friendly Paper Packaging

In the traditional tea industry, the norm was to use multi-layered plastic packaging for tea bag envelopes. This packaging often combines materials like BOPP with Aluminium foil or Paper with metallised BOPP, resulting in non-recyclable waste due to the fusion of metal or paper with plastic. Recognising the environmental implications of this practice, an innovative shift was made towards sustainability.

A new tea envelope was developed by ITC's Packaging and Printing Business for a leading tea brand, made entirely of paper and aluminium foil, eliminating the use of plastic. This ground-breaking packaging solution not only contributes to the circular economy but also reduces plastic usage by approximately 650 kg per million sachets.

Despite the significant change in materials, the new packaging did not compromise on the product's shelf life, machinability, aesthetics, or consumer experience. It signified a leap in packaging standards, moving the industry towards more sustainable and ethical practices.
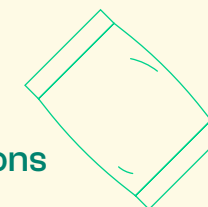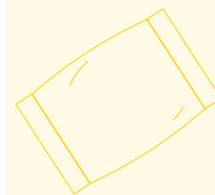
Driving Sustainable Packaging Solutions Across Multiple Industries

Snack products necessitate a high barrier against moisture and oxygen to preserve their crispiness and flavour. ITC, through its Packaging and Printing Business, conceptualised a value-engineered structure to minimise the print, extrusion, and sealing layers. This approach led to a 7% reduction in weight, contributing significantly to the reduction of plastic waste and associated carbon emissions.

A significant breakthrough in sustainable packaging was achieved through collaboration with a prominent quick-service restaurant chain. Compostable tubs and lids were introduced, which were made from virgin board substrates coated with an in-house-developed bio-compostable food-grade coating, "Bioseal," replacing the non-compostable Polyethylene (PE)-coated packaging. Bioseal offers similar barrier properties to PE while being compostable.

In another strategic partnership with a leading consumer electronic and wearable brand, plastic in the packaging was completely replaced with sustainable paper-based alternatives, simplifying handling and filling processes. This innovation received the IFCA Star Awards 2023 and SIES SOP Star Awards 2023.

The business also collaborated with a prominent pharmaceutical company, wherein the non-sustainable 50-micron PET window film in carton boxes was replaced with home and cellophane films.
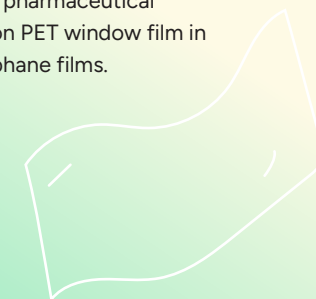
Sustainable Waste Management and Plastic Neutrality

ITC's Holistic Approach to Managing Plastic Waste

In India, the collection and recycling of multi-layered laminates and plastic packaging have always posed a significant challenge due to the lack of proper waste segregation at the source, insufficient infrastructure for collection and recycling, and the absence of market incentives. In response to this, ITC is proactively initiating programmes aimed at behavioural change to ensure waste is segregated at the source and is implementing models for solid waste management that are replicable, scalable, and sustainable. These initiatives facilitate increased collection and recycling of solid wastes, including multi-layered laminates and plastic packaging, thereby promoting a more circular economy for plastic waste and creating opportunities that support sustainable livelihoods within the waste economy.

Running Behavioural Change Programmes to Ensure Source Segregation

ITC's initiatives encompass instilling behavioural change and door-to-door awareness programmes for citizens in collaboration with various stakeholders like Urban Local Bodies, Panchayats, Civil Society, and the informal sector of waste collectors. The focus is on educating citizens on segregating waste at source into dry and wet streams, ensuring that value is derived from these resources, and, in the process, supporting sustainable livelihoods for waste collectors and ragpickers.

ITC's programmes have reached out to more than 11.4 million households till date. Additionally, ITC also leverages its brands to raise consumers' awareness of responsible waste management.

Creating Replicable, Scalable, and Sustainable Models of Solid Waste Management

ITC creates replicable, scalable, and sustainable models of municipal solid waste management that can be implemented across the country to ensure that zero waste goes to landfills. To implement these models, apart from directly collaborating with waste management agencies, ITC has various unique waste management models under its 'Well-Being Out of Waste' (WOW) and Mission Sunehra Kal programmes. These models are centred on the following pillars:

→ Partnering with Urban Local Bodies (ULBs) and Panchayats to facilitate door-to-door collection of segregated waste.
→ Supporting sustainable livelihoods for waste collection workers.
→ Identifying and implementing suitable end-of-life solutions for each waste stream.

Creating Well-Being Out of Waste (WOW)

From sprawling metros to small and medium towns, different models of waste management were implemented under ITC's flagship 'Well-Being Out of Waste' (WOW) programme. During the year, the programme continued to be executed in Bengaluru, Mysuru, Hyderabad, Coimbatore, Chennai, Delhi, the major towns of Telangana, and several districts of Andhra

Pradesh, collecting about 63,700 tonnes of dry waste from 1,500 wards.

WOW's outreach spans over 25 million citizens across 6.4 million households, 6.7 million school children and over 2,200 corporates since its inception. The programme has supported sustainable livelihoods for over 17,800 waste collectors and has also created 150 social entrepreneurs.

ITC's Mission Sunehra Kal focusses on inclusive Solid Waste Management (SWM) models

ITC's Mission Sunehra Kal programme has SWM models for towns, villages, and temples. The intervention manages both wet and dry waste close to the generator. The programme spanned 33 districts across 10 States covering 2.5 million new households during the year and over 5 million households cumulatively in collaboration with ULBs and Panchayats. Under the programme, 400,000+ tonnes of waste were collected during the year. This

programme focusses on minimising waste in landfills by managing waste at source. During the year, home composting was practiced by 0.14 million households about 250,000 tonnes of wet waste was composted, and 90,000 tonnes of dry waste was recycled, including 4,000 tonnes of plastic waste. As a result of this decentralised model, 87% of the total waste was avoided from going to landfills.

In Pune, ITC is supporting a circular economy-based, first-of-its-kind Multi-Layer Plastic (MLP) collection and recycling programme. Under the programme, 870+ tonnes of low-value plastic waste were collected and sorted and out of this, 600+ tonnes of the sorted MLP waste were sent for recycling during the year.

Based on the above programmes, ITC has been able to collect and sustainably manage more than 460,000 tonnes of total waste in FY 2023-24.

Page 160   *Mission Sunehra Kal for Sustainable and Inclusive Growth*

Sustaining Plastic Neutrality for 3rd Year in a Row

ITC has successfully implemented multiple large-scale models of solid waste management across the country. These models, based on principles of circular economy, are scalable, replicable, and sustainable, and have enabled the Company to sustain its plastic-neutral status since FY 2021-22.

In FY 2023-24, ITC collected and sustainably managed ~70,000 tonnes of plastic waste across India, which is more than the plastic packaging utilised by the Company.

To further strengthen this commitment, ITC has also obtained independent third-party assurance for its plastic neutrality status starting with FY 2022-23. The same will be continued for subsequent years, thereby ensuring the integrity of underlying processes and data for sustaining plastic neutrality.

Page 228   *Annexures: Plastic Neutrality Assurance Statement*

70,000 tonnes

plastic waste managed sustainably, across india in FY 2023-24

Enabling the Creation of Viable Recycling Options for Post-consumer Multi-layered Plastic Packaging Waste

ITC's LSTC, with its research capability in material sciences and recycling, has been helping recycling partners by providing knowledge and technical support to recycle MLP packaging and enable multiple end-users.

These include conversion into granules through extrusion and using compression moulding techniques for developing other articles of utility like recycled plastic lumber for boards / benches.

ITC, through its various partners, has collected and managed ~70,000 tonnes of plastic packaging waste during the year, with over 44% being channelised for recycling and the remaining being sent for energy recovery.

YiPPee! – Building A 'Better World'

The **'Better World'** programme by YiPPee! is a testament to the brand's commitment to fostering a sustainable circular economy, a commitment that is reflected in the three transformative campaigns undertaken during the year.

"YiPPee! A Better World: Trash to Treasure": This comprehensive school outreach programme is not just an initiative but a movement. It aims to enlighten young minds about the pressing issues of plastic waste, responsible disposal, and the comparison between single-use and multiple-use plastics. The campaign has successfully mobilised students to collect and responsibly dispose of plastic waste wrappers while educating them on plastic waste management practices.

"Terra By YiPPee! A Better World": This initiative focusses on **upcycling YiPPee! wrappers** into fashionable and practical merchandise like laptop sleeves and tote bags. The objective is to make sustainable choices not just available but also appealing to teenagers and young adults.

Under the above two initiatives, a total of 3.2 million students were engaged across 5,982 schools, and 42,000 kg of Plastic Waste was collected. The collected waste was subsequently upcycled into benches and desks, which were donated to schools. Approximately 2,485 such benches were distributed.

"YiPPee! A Better World: Create Magic": This initiative, carried out in collaboration with the Times of India, was aimed at transforming public spaces. The goal was to revamp public parks with equipment made from upcycled plastic waste, collected throughout this campaign via a widespread community call to action.

– Under the initiative, **16 parks** (4 each in **Kolkata, Bengaluru, Mumbai,** and **Delhi**) were successfully renovated with new park equipment made from upcycling **10,300 kg of plastic waste.**

– These parks were revamped by installation of vibrant orange play equipment like swing sets, see-saws, jungle gyms, and benches and desks, all made from upcycled plastic waste.

Sustainable Management of Process Waste across Operations

Within ITC's own operations, waste is minimised through systematic monitoring and improvement of efficiencies in material utilisation as well as by maximising recycling.

ITC's Performance

During the year, ITC Units generated 732 kilo tonnes of waste including 710 kilo tonnes of non-hazardous waste and 22 kilo tonnes of hazardous[9] waste. Over 99% of total waste was sent for recycling, and the remaining waste was treated in line with authorised norms. ITC has systems in place to ensure that waste is sent to authorised agencies in line with relevant regulatory requirements. In addition, ITC also tracks the end destination of both hazardous and non-hazardous waste.

ITC Business[10]	Business' Share (%) in ITC's Total Waste Generation	Specific Waste Generation[11] FY 2023-24
Paperboards and Specialty Papers Division	85%	0.64 tonnes/tonnes
Branded Packaged Foods Businesses	6%	0.08 tonnes/tonnes
Packaging and Printing Business	3%	0.27 tonnes/tonnes
Agri-Business (Tobacco SBU)	3%	0.15 tonnes/tonnes
FMCG Cigarettes[12]	2%	0.19 tonnes/MNC

Waste Management Approach		Hazardous Waste (kilo tonnes)	Non-hazardous waste (kilo tonnes)	Total Waste (kilo tonnes)
Waste Recycled (Diverted from Disposal)	Recycling & Composting	21.28	706.53	727.81
Waste Sent for Disposal	Incineration with Energy Recovery	0.07	0.37	0.44
	Incineration without Energy Recovery	0.49	0.01	0.49
	Landfilling	0.31	0.97	1.28

[9]Hazardous Waste includes Hazardous Waste, Battery Waste, Bio-Medical Waste and e-Waste as defined by respective waste management rules in India.

[10]Other businesses such as Personal Care, Matches & Agarbatti, Education and Stationery, Agri-Business (Agri-SBU), and Hotels together contribute just to ~1% of total waste generation.

[11]Specific waste generation is tonnes of waste generated per unit of output (e.g., tonnes of production)

[12]For FMCG Cigarettes, specific waste generation is tonnes of waste generated per million cigarettes.

Recycling Externally Sourced Wastepaper

In addition to segregation of waste at source and sending it to authorised recyclers, ITC's Kovai Paper Mill utilised nearly 89,000 tonnes of external waste paper as raw material in FY 2023-24.

Focus on recycling ~100% of the waste generated at ITC Units, combined with the utilisation of externally generated paper waste as a source of fibre at the Paper Mill in Kovai, enabled ITC to recycle 112% of the waste generated across ITC.

89,000 tonnes

external waste paper utilised as raw material in FY 2023-24

112%

of the waste generated was recycled

Creating an Overall
Waste-Positive Circular Footprint

Efforts at ITC Units to recycle nearly 100% of waste generated, utilisation of externally generated paper waste as a source of fibre at Paper Unit in Kovai, amount of waste sustainably managed through ITC's large-scale Solid Waste Management Programmes like WOW and MSK's decentralised waste management models, and ITC becoming plastic neutral by sustainably managing plastic packaging waste over packaging utilised in its operations contribute to ITC's endeavours of enabling a circular economy and an overall waste positive footprint. Through these efforts, the total waste managed by ITC exceeded the waste generated directly at ITC Units and indirectly through ITC's overall packaging footprint.

ITC Circularity Footprint: Waste Generated vs Waste Sustainably Managed *(kilo tonnes)*

~1290

External Waste Paper utilized at ITC Kovai Unit — 89

404

Wet & Dry Waste sustainably managed through ITC Programmes (WOW & MSK)

~965

ITC's Total Packaging Footprint

233

Post Consumer Plastic Packaging Waste managed by ITC — 70

732

Waste generated at ITC units

728

Waste Sent for Recycling from ITC units

Waste Generated   Waste Sustainably Managed
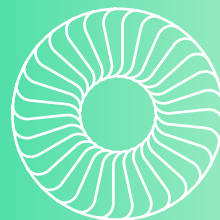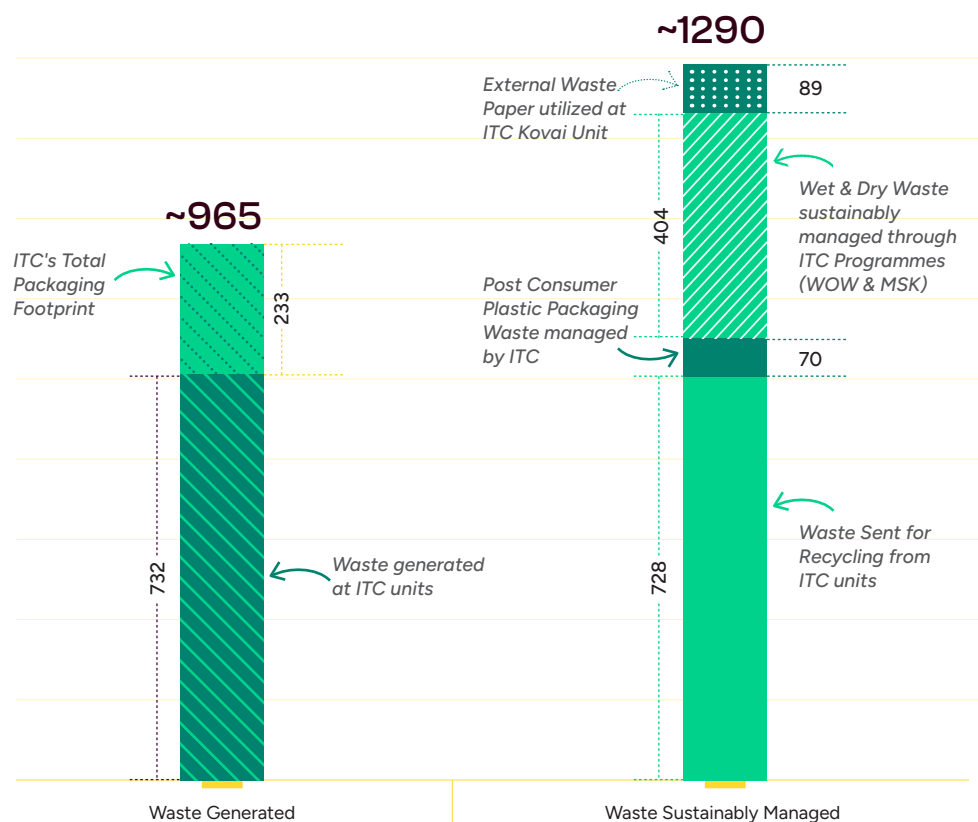
Road Ahead

According to the Ellen Macarthur Foundation, the road to net zero is intrinsically linked to achieving a more circular economy. While switching to renewable energy would only address 55% of global emissions, the remaining 45% of emissions will be addressed by adopting the principles of circular economy, i.e., eliminating waste and pollution, circulating products and materials, and regenerating nature. For ITC, this means:

Accelerate the implementation of a sustainable packaging strategy

Ensure that 100% of packaging is reusable, recyclable, compostable, or biodegradable

Utilise internal synergies to develop and utilise sustainable packaging alternatives

Leverage life-cycle approach for evaluating alternative packaging solutions

Scale up ITC's innovative sustainable packaging solutions portfolio

Sustain plastic neutrality

Continue to scale up ITC's sustainable solid waste management models

Continue to redesign processes and eliminate waste to the extent possible

Continue working on segregating of waste at source and recycling more waste than what is generated across operations

Air Emissions Management

ITC's Approach

Air pollution, primarily caused by vehicular and industrial emissions, has become a major public health issue in recent times. Despite sustained efforts by the Government in the form of stricter emission norms in industries and improving vehicular emissions standards, air pollution continues to remain a challenge in India. Addressing the challenge of air pollution will require concerted efforts by multiple stakeholders.

For ITC Units, relevant air emissions include Particulate Matter (PM), Nitrogen Oxides (NOx), Sulphur Oxides (SOx), and Ozone Depleting Substances (ODS). PM, NOx, and SOx emissions are generated from the combustion of fuel, and ODS are used as refrigerant gases in refrigerators, chillers, and air conditioners.

ITC's approach of proactively pursuing energy conservation through audits and benchmarking against industry standards and increasing the share of alternate energy in its energy portfolio contributes to the reduction in air emissions. ITC also appropriately invests in state-of-the-art pollution control equipment and a robust system of monitoring, measuring, and reporting is in place to ensure conformity with environmental standards. For ODS management, ITC will phase out the use of ODS well before the timelines stipulated under the international agreement on ODS.

[13]Ozone depleting substances include some of the refrigerant gases used in chillers and, refrigerators. Leakage of such gases is difficult to monitor, hence, refilling quantity of such refrigerants are reported here with the assumption that similar quantity was released

Performance

All ITC units monitor significant air emissions parameters, such as Particulate Matter (PM), Nitrogen Oxides (NOx), and Sulphur Oxides (SOx) regularly to ensure compliance with applicable norms and regulations including meeting prescribed limits and other requirements stated in Units' consent to operate like monitoring mechanism and frequency to be followed.

Other Significant air emissions   *(in tonnes)*

	FY 2022-23	FY 2023-24
NOx	2,382	2,346
SOx	3,602	2,391
PM	825	563

Legend: 🟨 NOx 🟪 SOx 🟩 PM
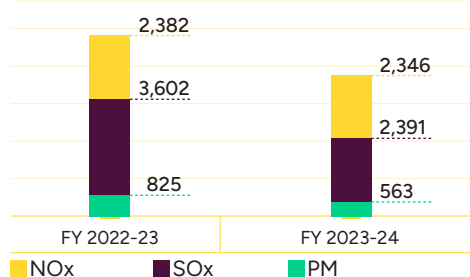
The above emissions levels are well within the applicable prescribed regulatory limits.

Ozone Depleting Substances (ODS)

During FY 2023-24, the total consumption of ODS[13] across units stood at 55 kg of CFC-11 equivalent. ITC is working towards phasing out ODS from its operations through the following interventions:

→ Replacement of all existing equipment using ODS well before the stipulated phase-out period.

→ Ensuring disposal of equipment undergoing replacement to authorised recyclers to ensure safe disposal of ODS as well

Chemical Safety Management

ITC's Approach

ITC follows a proactive approach to managing hazardous chemicals by actively looking for alternatives that not only help keep the operations safe but also are safer for its customers.

Environment-friendly and safer alternatives are continuously sought by ITC for improving existing processes and chemical safety. In addition to substitution to less hazardous chemicals, ITC has deeply entrenched Process Safety systems to ensure the correct handling, usage, storage, and disposal of such chemicals across its businesses. For the PSPD business as well as the Packaging and Printing business, such systems are particularly important.

Managing hazardous chemicals is not only important within ITC factories but also in the supply chain. Within the supply chain, farmers working with hazardous pesticides is an area of special attention. ITC's approach is firstly to eliminate or reduce the use of hazardous pesticides. Intensive training is conducted on Integrated Pest Management (IPM), which helps advocate a holistic approach to reducing pesticide usage as well as substituting such pesticides with nature-based solutions. The training programmes also cover the safe handling of pesticides used and the responsible management of wastes generated.

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ITC's approach is demonstrated in pioneering practices in the implementation of elemental chlorine free (ECF) bleaching, and ozone bleaching technology in India as part of its Paper business, and switching from solvent-based inks to water-based ones in its Packaging and Printing business.

In a dynamic, connected yet defragmented world, the need to strike a delicate balance between economic prosperity, social inclusivity and environmental impact has never been so apparent. It also calls for conserving resources for future generations while emphasising the need to ensure that the benefits of economic advancements are shared among all, including the vast segment residing on the margins. Social inclusivity encompasses access to quality education, affordable healthcare and livelihood opportunities. For that to have a meaningful impact, the world needs concerted efforts to collaborate and partner at a scale never imagined and build resilient communities that can withstand external shocks and thrive.

Inside this section

Social Stewardship

Sustainable and Inclusive Growth

Sustainable Supply Chain and Responsible Sourcing

Global supply chains continue to evolve across industries with rising digitalisation, integration of sustainability, and a strong emphasis on responsible sourcing guided by corporate stewardship and stringent regulations. The global movement towards net zero, and the underlying thrust on mapping and mitigating Scope 3 emissions, driving massive supply chain transformations. This, along with unprecedented climate events and ensuing supply chain disruptions has brought supply chain sustainability even more to the fore.

Given the complexity and scale of supply chains, technology is emerging as a key enabler for exercising oversight, demonstrating traceability, and driving meaningful action across the value chain. Addressing these trends is key to building resilience and embedding sustainability in the supply chain.

ITC, with its diverse and expanding portfolio of businesses, is working towards scaling up its sustainable supply chain initiatives as part of its Sustainability 2.0 strategy. ITC has a Board-approved Policy on 'Sustainable Supply Chain and Responsible Sourcing' and a 'Code of Conduct for Suppliers and Service Providers' which lay down the foundation for ITC's engagement with its suppliers including farmers, third-party manufacturers, service providers, transporters, suppliers of agriculture / non-agriculture materials and capital goods, franchisees, dealers and distributors.

Highlights

During FY 2023-24,
ITC processed around

3.3 million tonnes

of raw materials, out of which around
90% were from renewable sources
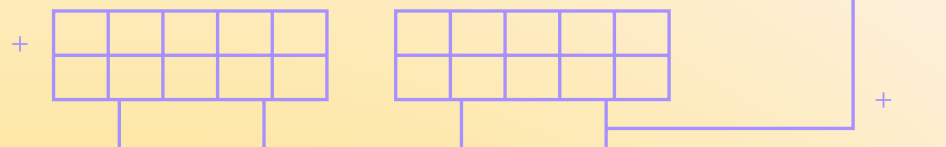
Sustainable Farm
Certifications in place for
Key Agri-Commodities:
Certified Organic and NPOP,
NOP, and EU certifications –

32,166 acres

Rainforest Alliance,
Forest Stewardship Council®,
Global G.A.P. (Good Agriculture
Practices), Union for Ethical
Bio Trade (UEBT), Fairtrade –

15,160 acres

ITCMAARS (Metamarket for
Advanced Agriculture and
Rural Services) – 'Phygital'
Eco-system for Empowering
Farming by Delivering
Hyperlocal and Personalised
Solutions by Synergistically
integrating NextGen
Agri-technologies

During FY 2023-24, the ESG
focussed training programmes
organised by ITC covered 100%
of the identified Critical Tier-1
Suppliers across Businesses.

~78%

of the fibre produced in
Bhadrachalam is from
Wood sourced from ITC's
Forestry initiatives. All four
manufacturing Units of the
PSPD have obtained the FSC®
Chain of Custody certification
and have complied with all
the requirements during the
year, thereby sustaining ITC's
position as the leading supplier
of FSC® – certified paper and
paperboards in India.

Ongoing Supplier Sustainability
Assessment of identified Critical
Tier-1 Suppliers by a Third Party.

40%

Critical Tier-1 Suppliers assessed
during FY 2023-24.

>87%

of Raw materials and Stores &
Spares Locally Procured over
the Years, consistently.

ITC's Vertically Integrated Supply Chain

Value Chain

Upstream

Farmers / Mandis / Auction Platforms
(Agri-raw materials)

Other Suppliers
(Other raw materials)

Key Agri Produces

- Wheat
- Potato
- Pulpwood
- Spices
- Milk
- Fruits
- Bamboo
- Leaf Tobacco

Agri Business *(Leaf Tobacco)*

Agri Business

Paperboards & Specialty Papers

Hotels

Information Technology

ITC's Own Operations

- FMCG
- Cigarettes
- Foods
- Personal Care Products
- Education and Stationery Products
- Matches & Agarbattis
- Packaging & Printing

Downstream

| ITC Own Warehouse | Institutional Customers, Exports |
| Leased Warehouse | Distributors, Institutional Retailers |

Retailers

End Consumers

Elements of Sustainable Value Chain

Value Created

Responsible Sourcing

- ● Regenerative & Climate-Resilient Agriculture
- ● Sustainable Forestry
- ● Sustainable Bamboo Plantations
- Responsible Sourcing in line with ITC's Code of Conduct for Suppliers and Service Providers

Sustainable Manufacturing & Services

- Optimal Resources
- Climate Resilience & Water Risk Management
- Investments in Renewable Energy & Energy Efficiency
- Green Buildings
- Health & Safety, & Employee Well-Being
- Commitment to Highest Standards of Quality & Product Safety
- Cutting-Edge R&D and Innovation
- ITC Hotels 'We Assure' Focus on Health, Hygiene & Safety
- Managing Talent, Upholding Human Rights & Fostering Diversity

Sustainable Packaging

- Improving Recyclability of Packaging
- Phasing our Hard to Recycle Plastics
- Sustainable Packaging Solutions for the industry: Omega & Filo Series
- FSC® Certified Paper and Parperboards for Packaging

Sustainable Logistics & Warehousing

- Strategically Located Manufacturing Units: Optimising Distance to Market
- Strategically Located Automated Warehouses

Delighting Consumers and EPR*

- Sustainable Models for managing Post-Consumer Packaging Waste
- Responsible Marketing
- Consumer Satisfaction & Feedback Management

*EPR – Extended Producer Responsibility

ITC's Approach

1 Advocate

Continuous engagement with value chain partners for raising awareness and building their capacity on ITC's sustainable supply chain philosophy, expectations and compliance requirements, and emerging and relevant sustainability topics.

Capacity building of farmers across key agri-value chains thereby enabling them to adopt sustainable and regenerative practices aligned to global and national certification standards.
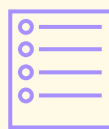
2 Assess

Identification of sustainability risks and opportunities through ongoing ESG assessments by a third party for Critical Tier-1 suppliers.

Implementing systems and processes for enabling supply chain oversight, transparency, and traceability.

Facilitating third-party assessments in line with international standards for obtaining certifications like Rain Forest Alliance, and Forest Stewardship Council® Certified Organic, Fairtrade, and Sustainable Tobacco Programme.

3 Address

→ Implementing measures for addressing identified risks and opportunities
→ Technical support for the adoption of management practices as per International Standards such as ISO 9001, ISO 14001, OHSAS 18001, and ITC's Corporate Environment, Health, and Safety (EHS) & Sustainable Supply Chain Guidelines.
→ Collaborating and collectively finding solutions with suppliers on material aspects of sustainability.
→ Providing grievance redressal mechanisms for suppliers, and addressing their grievances, if any.

Year-on-year progress on covering larger areas of crops under sustainability standards and certifications

As a conglomerate with diversified presence across agriculture, manufacturing and services, ITC maintains a vertically integrated supply chain for most of its businesses, which facilitates optimum utilisation of raw materials, as well as efficient logistic operations. It also builds on intra-group synergies, which further adds to organisational efficiency. The vertical integration not only provides a competitive advantage, but also enables effective control and oversight over most upstream value chains for driving sustainable practices like sustainable sourcing, transparency and traceability, and sustainable packaging. Particularly in the FMCG segment, ITC is powered by:

Building of digitally powered and climate-smart agri-value chains

Next-generation, smart and agile supply chain

Distributed manufacturing and sustainable operations

Resilient, technology-driven, and robust sales and distribution network

*Sustainable Supply Chain**

*Responsible Sourcing***

* (Critical Tier-1 suppliers including logistics partner, traders, outsourced manufacturing)
** (Farmers)

Sustainable Supply Chain Initiative at ITC

ITC has a Board approved Policy on 'Sustainable Supply Chain and Responsible Sourcing'. In line with this policy, ITC engages with its supply chain members to assess their sustainability risks and support them in building resilience against such risks. The policy also encourages suppliers to work towards resource-use efficiency, including sustainable natural resource management, GHG emission reduction and sustainable waste management. ITC's approach to building a sustainable supply chain is summarised below.

Advocate

To enable effective implementation of ITC's policies on sustainable supply chain, the Company facilitates capacity-building workshops for its key supply chain partners to educate and create shared awareness on key areas like human rights, labour practices, and environmental sustainability.

ITC's Policy on 'Sustainable Supply Chain and Responsible Sourcing' and 'Code of Conduct for Suppliers and Service Providers' require suppliers to comply with applicable laws, labour standards, and environmental regulations, and uphold human rights and principles of ethics and integrity in their operations. All Suppliers are expected to meet the requirements of this Code. ITC also expects its Suppliers to hold their business associates to the same standards as enshrined in this Code. The Code also reflects ITC's commitment to respect human rights across the supply chain. It

upholds the spirit outlined in the International Labour Organisation Guidelines and United Nations Guiding Principles on Business and Human Rights. In addition, the Policy on Sustainable Supply Chain and Responsible Sourcing also ensures supply chain partners remain committed to the required conditions and standards. In the event of a serious or consistent lack of commitment to corrective action, business relationship with supply chain members is disengaged.

The Code addresses key supply chain sustainability issues like:
→ Labour Practices - Child Labour, Anti-Discrimination and Fair Treatment, Forced Labour, Safe and Healthy Working Conditions
→ Environment
→ Human Rights
→ Business Integrity - Conflict of Interest, Anti-Bribery and Corruption, Hospitality and Gifts

ITC engages with its supply chain partners periodically to build awareness of the Supplier's Code of Conduct. ITC also has a set of internal guidelines for ensuring Company-wide implementation, monitoring, and evaluation of the sustainable supply chain initiative.

Purchasing practices towards suppliers are continuously reviewed to ensure alignment with the Code of Conduct for Suppliers and Service Providers and to avoid potential conflicts with ESG requirements.

Identification and Engagement with Critical Tier-1 Suppliers

For focussed engagement with key suppliers, ITC has created a framework for identifying its Critical Tier-1 suppliers based on multiple criteria like the value of the business with these suppliers, business relevance, ESG risk exposure of the sector/ country/ region/ commodity type (as applicable), and substitutability of the supplier, among others. During the year, training on ESG aspects of suppliers' programmes was conducted by external expert agencies for the procurement and sustainability practitioners of the Company. These training programmes cover aspects like:
→ Emerging sustainability / ESG concepts, frameworks & guidelines including ESG benchmarks and peer practices
→ Fundamentals of ESG integration in supply chain
→ ITC's expectations from its suppliers as captured in its codes, policies, and supplier assessment framework
→ Latest regulatory changes including NGRBC principles; SEBI's BRSR Core for Value Chain; and introduction to international frameworks like International Financial Reporting Standards (IFRS), EU Corporate Sustainability Reporting Directive (CSRD)
→ Demystifying concepts of Environment, Health & Safety, Labour practices, Human Rights, Governance & Fair Business

During FY 2023-24, the ESG-focussed training programmes organised by ITC covered around 100% of the identified Critical Tier -1 Suppliers across Businesses.

Assess

ITC's Supplier Sustainability Assessment Framework is based on four pillars: Environment; Health & Safety; Labour practices & Human Rights; and Governance & Fair Business. Each pillar is composed of essential and advanced indicators. Essential indicators reflect the latest compliance requirements, ITC's Codes / Policies, and other established norms in the industry. On the other hand, advanced indicators are based on best practices and requirements emanating from global sustainability standards and frameworks such as ISO Standards, GRI Standards, amongst others. Adherence to advanced indicators signifies a higher level of supplier maturity in terms of sustainability. For Critical Tier-1 suppliers, the above framework is applied for conducting structured ESG assessments by a third party.

During FY 2023-24, 40% of Critical Tier-1 suppliers have been assessed by a third party in line with ITC's Supplier Sustainability Assessment Framework.

Address

Findings from third-party supplier assessments further guide the implementation of corrective / improvement action plans in consultation with respective supply chain partners. Suppliers found to have non-conformances are required to implement corrective actions and undergo a follow-up assessment. As required, ITC Businesses provide on-site/ remote support to their suppliers for the implementation of these corrective/ improvement actions. Select supply chain sustainability practices across ITC's major businesses are summarised below:

Supplier Category	Interventions
Third-party manufacturers	→ Continuous engagement and assessment of applicable labour laws, quality standards → Environment, Health, and Safety guidelines with sector-specific requirements → SA8000 standards for select businesses
Raw material / packaging producers	→ Monitored for applicable industry certifications or standards (e.g. IFRA standards for fragrance manufacturers, FSC® certified wood and paper, Organic Farm produce, among others) → Preference given for onboarding suppliers with established environmental, and safety management systems
Farmers	→ Large-scale sustainable agriculture programmes across key value chains → Certifications like Rainforest Alliance (RFA), Forest Stewardship Council® (FSC®), and Global Agricultural Practices (G.A.P) for identifying and addressing environmental risks and human rights-related issues → Human Rights due diligence and preventive or corrective actions
Service Provider Employees / Contract Workers	→ Assessed for compliance with applicable labour laws → Trained for health and safety practices

Agri-Sourcing Practices

Agri-Business Division (ABD) primarily engages in sourcing agri-commodities like wheat, coffee, spices, maize, soybean, mustard, rice, maida, fruits, and prawns. The portfolio continues to be rapidly scaled up, leveraging ITC's deep rural linkages and extensive sourcing expertise toward strengthening and customising supply chains for traceability. The division has large-scale programmes on sustainability certifications of traded commodities driven by customer demands and emerging international regulations on due diligence and transparency.

Implementing Rainforest Alliance 2020 Sustainable Agriculture Standard in Coffee Value Chain

ITC's Agri-Business Division (ABD), operating in traditional coffee-growing regions of Karnataka, Kerala, and Tamil Nadu, has implemented the Rainforest Alliance 2020 Sustainable Agriculture Standard. As part of its commitment to sustainable practices, the standard has been implemented in coffee-producing areas such as Coorg, Hassan in Karnataka, and Kodaikanal in Tamil Nadu.

The certification programme focusses on 6 key areas: management, traceability, income and shared responsibility, farming practices, social welfare, and environmental stewardship. The standard requires all certified farms to be managed efficiently, transparently, inclusively, and economically.

During FY 2023-24, the division provided training on relevant chapters of the Standard; safety equipment like PPE kits for safe pesticide spraying, eye wash bottles, and first aid boxes; and conducted health checks for workers.

The division also incentivised planters with premiums above market prices for certified crops. As a result, approximately 3850 tonnes of coffee covering around 5450 acres were certified under the standard.

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Approach to Sustainability 2.0

Environmental Stewardship

Social Stewardship - Sustainable & Inclusive Growth

Annexures
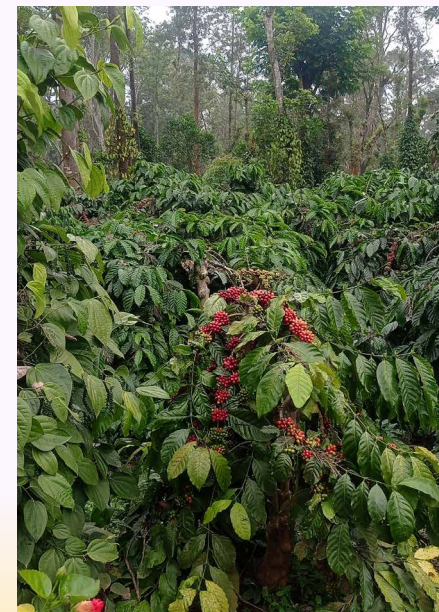
Leaf Tobacco Supply Chain

ITC collaborates with farmers in implementing international sustainability certification and verification programmes such as Sustainable Tobacco Programme (STP 2.0), Thrive programme, and Compliance to Agriculture Labour Practices (ALP) Code, where the production practices are aligned with the defined environment and labour standards.

Sustainable Tobacco Programme 2.0 IDA is an industry initiative to enhance agricultural supply chain due diligence and accelerate positive impacts on environmental, social, and governance elements. The programme focusses on 8 themes demanding leaf suppliers' commitment on — Water, Human Rights, Crop, Soil, Climate Change, Natural Habitats, Livelihoods and Governance. In-depth assessments were done by twentyfifty organisation during 2023, to deepen the understanding of the progress of sustainability initiatives, identifying the key challenges in Tobacco regions and enabling Businesses to prioritise sustainability topics. Business demonstrated a good understanding of due diligence management systems with an overall maturity rating of 'Efficient Management' level in the assessment.

Integrated Adarsh Gram Programme (Model Village Programme)

Ensuring Human Rights in the supply chain is a part of ITC's Integrated Adarsh Gram Strategy (Model Village Approach). The programme focusses on building economic, environment and social capital in 361 villages of Andhra Pradesh and Karnataka impacting nearly 30,968 farmers. ITC's Agri-extension and field teams play a critical role in understanding the needs and grievances of farmers and supply chain partners. Tobacco Business organised independent due diligence studies in Adarsh Grams covering its Tobacco farm supply chain in the states of Andhra Pradesh and Karnataka. The framework for the study was adapted based on international standards, including the Sustainable Tobacco Programme (STP), OECD FAO Guidelines on Responsible Business Conduct in Agriculture, UN Sustainable Development Goals (SDGs), and ISO 26000:2010 Guidance on Social Responsibility.

~30,968 farmers
impacted by this programme

Human Rights Impact Assessment in Leaf Tobacco Supply Chain

ITC conducts human rights due diligence in the farm supply chain to identify the human rights challenges and impacts covering farmers, labours, and communities in Tobacco regions. Customized action programmes are devised and implemented to support human rights and social development through engagement with rights-holders and stakeholders across the farm supply chain.

Through structured unannounced visits by crop development managers, Prompt Actions (PA) related to farm safety, labour rights, and crop management are identified and highlighted which require immediate attention and action.

ITC implements strategic initiatives and programmes in Tobacco regions focussing on human rights compliance on the farm:
→ Training and Awareness on Human Rights organised in 361 villages covering subjects such as Farm Safety, Child Labour, Wages, Fair Treatment, Freedom of Association, WASH, No Discrimination and other areas of Human Rights.
→ **Farm Safety:** ITC undertakes a holistic approach to address the farm safety challenges. 5,000 farmers have been provided with Personal Protective Equipment (PPE) kits for safe spraying of chemicals and a Secured Storage Box for safe storage of chemicals was provided for 3,600 farmers. Technology like Drones were scaled up covering 11,560 acres minimising human interference while chemical spraying, besides increasing the efficacy of operation and water saving.

→ **Drinking Water:** To enable easy access to drinking water, ITC established community-level water plants that are operated on a self-sustaining model. 9 new Reverse Osmosis plants were established in FY 2023-24 taking the total current operational plants to 169 Units, which provide safe drinking water to over 220,000 rural people.

Responsible Sourcing of Fibre by Paperboards and Specialty Papers Division

Paperboards and Specialty Papers Division (PSPD) processed 2.49 million tonnes of raw materials (about 75% of the total raw material procured by ITC), out of which over 90% were from renewable sources. The Kovai Unit of the Paperboards and Specialty Papers Business utilised nearly 89,000 tonnes of externally sourced wastepaper as raw material in FY 2023-24.

Approximately 64% of the total fibre requirements of ITC's PSPD is met by pulp, manufactured at the Bhadrachalam Unit. Another 13% comes from recycled fibre processed at the Unit in Kovai. The balance of 23% is imported pulp used at Bhadrachalam and Tribeni Units.

In terms of traceability:
→ Approximately 78% of the fibre produced in Bhadrachalam is from wood sourced from ITC's Forestry initiatives.
→ The fibre used at the Kovai Unit is either recycled or reclaimed fibre.
→ Overall, 100% of the fibre used by ITC's PSPD is of known and legal origin. All four manufacturing units of the PSPD have obtained the FSC®Chain of Custody certification and have complied with all the requirements during

the year, thereby sustaining ITCs position as the leading supplier of FSC®– certified paper and paperboards in India.

Engaging with Third Party Manufacturers

ITC encourages critical value chain partners like third-party manufacturers (TPMs) to adopt management practices detailed under International Standards such as ISO 45001 and ISO 14001. Ensuring compliance with accepted standards on matters related to EHS, human rights and labour practices form part of the agreements with these value chain partners.

Some of the key EHS-related initiatives are as below:

→ Sector-specific EHS Guidelines intended to cater to operational safety requirements are developed by businesses and shared with contract manufacturing units and other third-party managed facilities such as warehouses and cold storage
→ Training / handholding sessions are conducted to create awareness of the requirements
→ Internal / third-party assessments are carried out against the guidelines
→ Guidance is extended for implementing corrective actions vis-à-vis gaps identified during assessments.

Supporting a Local and Inclusive Value Chain

ITC encourages competency development among local vendors and its vendor base includes medium and small-scale enterprises that are proximate to its manufacturing locations. These initiatives are aligned with national priorities of 'Make in India',

'Atmanirbhar Bharat', and enrichment of farmers through the promotion of Farmer Producer Organisations (FPOs) as the core catalyst of agricultural transformation. ITC also works in close partnership with small-scale units in businesses such as Safety Matches, and Education and Stationery Products. These partnerships have significantly enhanced the survival and competitiveness of several units in these sectors.

In line with its commitment to bring the power of cutting-edge digital technologies and unlock the potential of India's farmers, the Company has launched ITCMAARS (Metamarket for Advanced Agriculture and Rural Services). This 'phygital' eco-system will empower the farming community by delivering hyperlocal and personalised solutions by synergistically integrating NextGen agri-technologies.

Raw Materials, Stores & Spares Consumed *(₹ billion)*

Bar chart showing Imported (orange) and Indigenous (yellow) values:
- FY 2019-20: Imported 15, Indigenous 119
- FY 2020-21: Imported 15, Indigenous 124
- FY 2021-22: Imported 20, Indigenous 144
- FY 2022-23: Imported 27, Indigenous 176
- FY 2023-24: Imported 26, Indigenous 191

■ Imported   ■ Indigenous
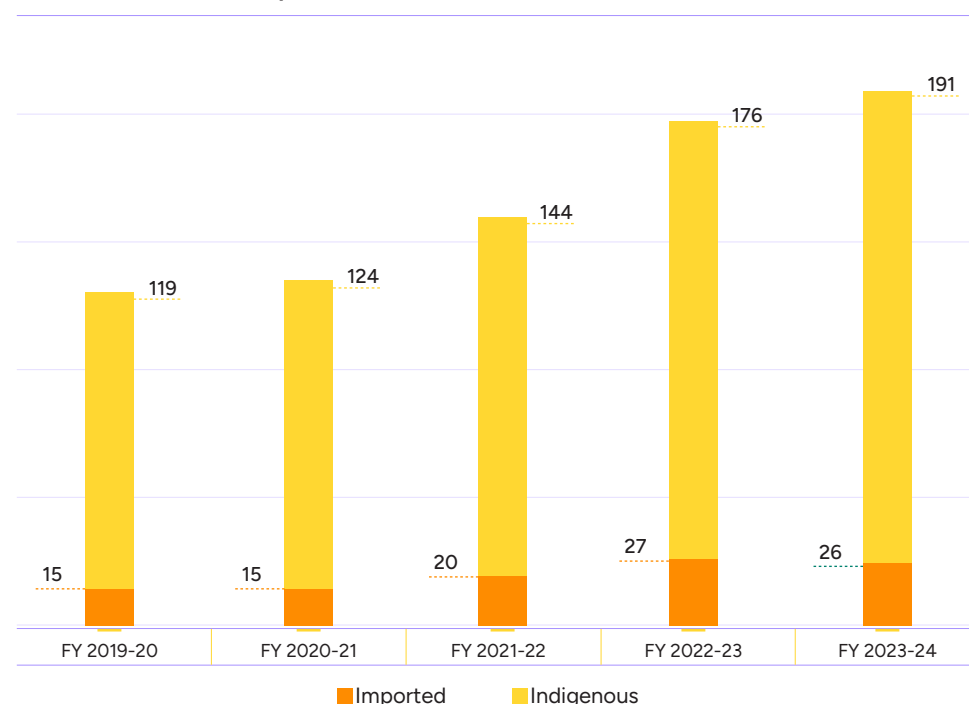
More than 87% of raw materials and stores and spares have been locally procured over the years, consistently. Further, the total percentage of input material [inputs to total inputs by value (i.e., raw material, stores, and spares including services and capital expenditure)] sourced from suppliers within India stood at 92%+.
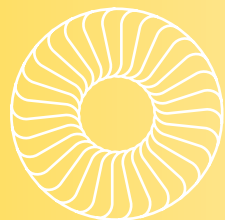
Road Ahead

ITC's sustainable supply chain and responsible sourcing initiatives focus on integrating evolving sustainability requirements across the value chain for both de-risking as well as leveraging opportunities for building a more resilient value chain. Going forward, ITC will focus on scaling up its efforts towards:

Building Capacity of Value Chain Partners:

ITC Businesses will scale up their engagement with their respective partners including suppliers, third-party manufacturers, and farmers through focussed training on material sustainability aspects.
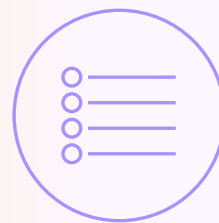
Conducting Structured Sustainability Assessments of Key Suppliers:

Periodic due diligence and third-party assessments enabled by tech-based solutions for ensuring effective tracking and implementation of corrective actions.

Partnering with Key Suppliers on their Sustainability Journey:

Jointly working with suppliers for progressively implementing identified corrective and preventive measures, and enabling sustainability across their operations.

Product Sustainability

Addressing Emerging Consumer Needs with Agility

Consumer trends around the world are signalling a shift towards a rise in the uptake of sustainable products. While the 'say-do' gap between what consumers say or believe versus what they buy persists, more and more products with sustainable attributes supported by green claims are reaching the market. With consumer interest in mind, FY 2023-24 was marked with rapid changes in the regulatory landscape governing such claims with the release of several voluntary as well as statutory guidelines across jurisdictions including India. Therefore, to leverage the sustainable markets opportunity and effectively close the 'say-do' gap that is primarily driven by factors like awareness, availability, affordability, and trust, consumer brands need to build trust and offer sustainable choices that are rooted in science and backed by lifecycle-based approaches to the consumers. Even the road to reaching net zero will necessarily pass through a transformation in the consumer markets for sustainable products and services.

Identified as a fundamental driver of future growth, sustainable product innovation is a key pillar of ITC's Sustainability 2.0 Vision. As India's leading conglomerate operating across various consumer segments, ITC continues to leverage its Life Sciences and Technology Centre's (LSTC) strong innovation engine to build a robust portfolio of world-class products and purpose-led brands that address evolving consumer needs and trends. The Company has endeavoured to introduce innovative and sustainable products and services

that integrate sustainability across the life cycle—from sustainable design, formulation, and sourcing to sustainable manufacturing, packaging, and responsible use-phase and end-of-life management. As a steward of product responsibility, the Company follows stringent global standards of quality, safety, and transparency. ITC manufacturing units and hotels have state-of-the-art facilities with internationally benchmarked quality management systems.

Highlights

ITC's vibrant portfolio of over 25 world-class Indian brands represents an annual consumer spend of over

₹32,000 crores

in FY 2023-24 with the Company's products reaching over 250 million Indian households

ITC's Food Factory - ICML Panchla won

3rd Prize

at the 5th Edition of the Global KAIZEN™ Award (2023),

making ITC the 1st Indian Company to win the prestigious Global Kaizen Award

100+
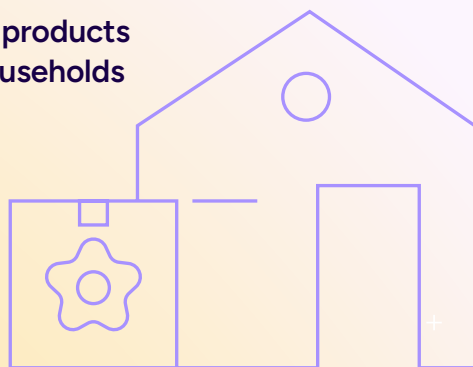
New product launches during the year

~95%

(112 out of 118) of the branded packaged food manufacturing locations (including third-party manufacturing units) are certified as per recognised global standards like FSSC 22000 / ISO 22000 / HACCP. Certification of the remaining 6 Units is in process

ITC Hotels' guest satisfaction level / Index, known as 'WoW Ratio,' for FY 2023-24 stood at

92.46%

Approach to Sustainability 2.0

Environmental Stewardship

Social Stewardship - Sustainable & Inclusive Growth

Annexures

ITC's Approach

Sustainable Product Innovation

Product Responsibility & Stewardship

Fuelling Innovation - Leveraging ITC's Life Sciences and Technology Centre (LSTC)

Building purpose-led brands powered by agile innovation platforms of LSTC

Quality, Safety & Transparency

Global quality, and health and safety standards and certifications for delivering world-class products and services.

Best practices related to product information, labelling, responsible marketing, data privacy, and compliance management.

Leveraging Life Cycle Assessment Approach

Building a sustainable product portfolio

Consumer Centricity

Systematic approach to monitor consumer satisfaction and address feedback

Sustainable Product Innovation

LSTC - ITC's Innovation Engine

ITC's state-of-the-art Life Sciences and Technology Centre (ITC LSTC) in Bengaluru is at the core of driving science-led product innovation to support and build its portfolio of world-class products and brands. It has completed five decades of industrial research and development (R&D). The research community comprises over 400 highly qualified scientists with diverse expertise base and skill sets with a mandate to work on future-ready science platforms, design differentiated products to address unique consumer needs, and deliver superior benefits. The R&D programmes are designed to make impactful business outcomes, provide a superlative product experience to Indian consumers at an affordable price, and offer them multiple choices through a bouquet of products with world-class quality. At the inception stage of new product and process innovation, sustainability is considered as a key guiding principle for product design.

Future Ready Platforms for Driving Innovation across ITC Businesses

LSTC is equipped with world-class scientific infrastructure and state-of-the-art facilities to create a deep knowledge base and build intellectual property for ITC through research, rapid prototyping, and process development. Over 800 patents have been filed to date, bearing testimony to LSTC's innovation capabilities. In line with ITC's relentless focus on operational excellence and quality, each Business is mandated to continuously innovate on materials, training, processes, and systems to enhance their competitiveness. ITC has been a forerunner in introducing first-to-market innovative products for Indian consumers.

LSTC's Centres of Excellence in Biosciences, Agri-sciences & Materials sciences, and future-ready platforms such as Beauty & Hygiene, Health & Wellness, Agro-forestry, Crop Sciences, Consumer and Sensory Sciences and Sustainable Materials & Packaging continue to drive world-class innovation.

Branded Packaged Foods

→ Innovative science-based Platform projects continue to be leveraged to drive creation of healthier foods through systematic reduction in salt, sugar and fat without compromising on sensory attributes.

→ LSTC, in collaboration with the Agri and Branded Packaged Foods Businesses, endeavours to ensure that contemporary science-based outcomes are fully integrated across key agri-value chains from farm to fork including wheat, potato, and spices.

Personal Care Product Business

→ The PCPB R&D-Product Development team at LSTC continues to leverage science and technology-led capabilities to build future product pipeline readiness in Health and Hygiene, Personal Wash, Fragrances, Home Care, and Skin Care categories.

→ Further, LSTC has been developing "Green Products" with sustainable formulation, efficient processing, and sustainable packaging, which includes high recycled content, covering products under Personal Care and Home Care categories.

Paperboards & Specialty Papers

→ Scientific platforms in agro-forestry have led to pioneering work in developing new clones in tandem with the Paperboards and Specialty Papers Business to enhance wood productivity, build climate resilience, and pulp quality for sustainable raw materials and farmer profitability.

Packaging & Printing

→ Efforts are being made to significantly reduce the plastic content of some of the packaging products. LSTC's unique competencies in Sustainable Materials and Packaging have enabled the development of packaging options with a high degree of recycled plastics content and novel barrier coating solutions to create next-generation environmentally friendly packaging solutions.

Agri

→ LSTC has established different cutting-edge tools & technology platforms for improving the yield and quality of key crop species.

→ Ongoing research on climate-resilient crops seek to address the security of raw material supplies across ITC's value chains.

Paperkraft File Folder without any BOPP Lamination

BOPP lamination is widely used in the Stationery industry to keep the surface intact. However, the addition of a BOPP layer on to a paperboard makes it hard to recycle, due to difficulties in delamination of BOPP from base material.

ITC's LSTC undertook the challenge of developing a water based, repulpable, and compostable coating to replace BOPP lamination on file folders. After extensive research, LSTC successfully designed a coating formulation that meets all the functional properties of a BOPP lamination. The formulation was used in the newly launched Paperkraft File Folder. The product is repulpable and compostable, displaying high levels of sustainability. LSTC is now exploring substitution of BOPP laminations with the novel coating material in product packaging across all ITC businesses.

Leveraging digital capabilities for NextGen R&D

In its quest to continuously enhance efficiency and be future-ready, LSTC is developing and deploying cutting-edge digital tools for quality performance analytics, benchmarking and strengthen quality management systems. Satellite imaging-based tree plantation area mapping has been accomplished with greater than 90% accuracy for species of the Company's interest (Eucalyptus, Subabul, Casuarina, Corymbia) that will enable assessment of pulp wood availability. Going forward, LSTC will continue to identify growth opportunities leveraging ITC's diverse core competencies and R&D insights emerging from close consumer interactions and contemporary science & technology.

Life Cycle Assessments (LCA) Driven Innovation

In line with the overall strategy to embed principles of sustainability into the various stages of product or service life cycle, ITC initiated life cycle assessments (LCA) of its products and services in 2010 with an objective to evaluate the impacts and identify areas for improvement in the value chain. LCA studies have been carried out for some of the Company's key products from Paperboards and Specialty Papers Business, Personal Care Products Business, and Branded Packaged Foods Businesses for identifying additional opportunities to reduce environmental impact across the value chain. These assessments have enabled the identification of concrete solutions for more efficient packaging designs and loading efficiencies in transportation. Studies conducted on the selected products also provided valuable insights that are duly considered for new product development and design. Several sustainable products were developed during the year. Over the last two years, ITC has conducted several LCAs for products from the Paper, Personal Care, Educational & Stationery, Matches & Agarbatti businesses. These assessments have helped in understanding the environmental footprint of these products, identifying opportunities for footprint reduction through scenario analysis, and quantifying the footprint improvement of product / packaging design interventions.

Additionally, during the year, capacity-building programmes were conducted for practitioners across ITC Businesses and LSTC to further strengthen the application of LCAs at the product design stage itself including interventions related to using alternative raw materials / formulations, manufacturing processes, and packaging, and minimising use phase and end-of-life impacts.

LCAs Conducted Over Last Two Years

Classmate Notebook
(Cradle-to-grave)

Savlon Powdered Handwash
(Cradle-to-grave)

Savlon Liquid Handwash
(Cradle-to-grave)

Nimyle floor cleaner
(Cradle-to-gate)

Mangaldeep Sandal Agarbatti
(Cradle-to-grave)

OmegaBev Vio Paperboard
(Cradle-to-gate)

CFKE Paperboard
(Cradle-to-gate)
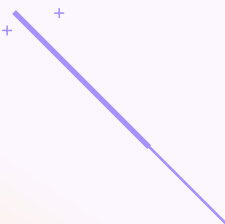
LCA-driven Sustainable Innovation in the Agarbatti (Incense Stick) Portfolio

Mangaldeep Agarbatti offers a diverse range of premium, charcoal-free incense sticks, with a long-lasting fragrance, including Mangaldeep 3 in 1, Mangaldeep Scent Range, and Mangaldeep Flora range. During the year, an LCA study was conducted to understand and compare the environmental benefits of charcoal-free Agarbatti over regular charcoal Agarbatti. The assessment compared the environmental footprint across all life cycle stages of the product (from formulation to end of life, or cradle to grave). The analysis showed that the charcoal-free Agarbattis had a 10% lower carbon footprint compared to the regular Agarbattis, due to the substitution of emission-intensive ingredient (pre-processed charcoal) with sawdust.

Additionally, the team is also using LCA-enabled scenario analysis to identify product / packaging design changes to further improve the environmental footprint of the product.

ITC's Sustainable Product Portfolio – A Snapshot
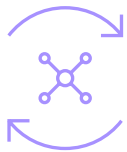
Sustainable Formulations

- **Sunfeast Farmlite Super Millets Cookies** made from a Blend of Millets including Ragi and Jowar (Sorghum) and contain no added Maida (Refined Flour)

- **EDW Essenza and Engage L'amante** Aerosol Sprays with Unique Bag-on-Valve Technology, uses Nitrogen, a renewable propellent compared to traditional propellents.

- **Paperkraft Eco Folder** has completely avoided plastics, making it fully repulpable

- Co-Creation Lab for product development with consumers – **'Laboratoire Naturel'** is LEED Gold Certified

- **Fiama Shower Gel** 'Happy Naturals' Range is made of 97% Natural Origin Content*

As per applicable standards

Sustainable Sourcing

- 85% **Paperkraft Notebooks** SKUs are **FSC® Certified**, supported by Paper Business's FSC® Forest Management Certified plantations & FSC® Chain of Custody certification of all four paper mills

- **ITC Spices Value Chain:** Sustainable farm certifications like Rainforest Alliance, Global G.A.P, Fairtrade and USDA Organic

- **Aashirvaad Organic Products:** Certified Organic Wheat and Pulses

- **Mangaldeep Incense Sticks:** 90%+ chemicals used are International Fragrance Resource Association (IFRA) Approved Chemicals

- Leaf Tobacco Business Complies to Global Tobacco standard like **Sustainable Tobacco Programme** (STP 2.0) covering the farm value chain

Sustainable Operations

- **ITC's Paper Mills at Bhadrachalam and Kovai are CII GreenCo PLATINUM + certified**, the highest rating in the system, and the Bollaram Unit runs on ~100% Renewable Electricity

- The **First 12 Hotels in the World to Receive LEED® Zero Carbon** Certification are ITC Hotels.

- Units of ITC's Packaging & Printing Business are **SA8000 Certified** (Social Accountability)

- Gollapudi Unit of ITC's Education & Stationery Product is **SA8000 Certified** (Social Accountability)

- **ITC Mangaldeep 'Sixth Sense' Panel** - an Inclusive Initiative that has recruited Visually Impaired Fragrance Testers

Sustainable Packaging

- **Sunfeast Farmlite Core Digestive** (800g Pack), launched in a 100% paper outer bag

- **Fiama Handwash** Pouch (350ml SKU) is now available in recyclable pouch

- **Savlon Wet Wipes**, now feature a PET layer in the packaging made from 70% PCR content.

- **Mangaldeep 3 in 1 Scent Portfolio** transitioned to 100% mono-material laminate from multi-layered plastic laminates

- Paper-based inner pouches with 80%+ paper content in **Mangaldeep Flora**

Use Phase Sustainability

- **Mangaldeep Lo Smoke Incense Sticks** release up to 85% Less Smoke when Burning as compared to Normal Incense Sticks

- **Savlon Powder Handwash** allows Consumers to Reuse Empty Bottles at Home

- **Aashirvaad Atta with Multigrains' Happy Tummy** website - Content Hub on Digestion for Consumers with Certified Expert Blogs, Videos, High Fibre Recipes, Free One-on-one Consultation, and tools like Fibre Meter, by Meal Plan & Ask an Expert
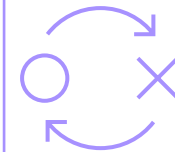
Responsible 'End of Life' Management

- **'OmegaBev', 'OmegaBarr.' & 'OmegaBev Vio'** - Compostable Paperboard Alternatives to Plastic-coated Containers and Cups including Deep Freeze, and Hot & Cold Applications

- **BIOSEAL** - Compostable Coating with Excellent Oil & Grease Resistance and Heat Sealability for QSR Segment (Tubs & Lids), Tea Envelopes.

- **OXYBLOCK** - Patented Barrier Coating that provides an oxygen barrier and helps in converting non-recyclable packaging into recyclable in segments such as oil, ketchup

- **'FiloBev', 'FiloPack.' 'FiloBowl' & 'FiloTub'** - Compostable as well as Fully Recyclable in standard mill recycling system Paperboard Alternatives to Plastic-coated Containers and Cups including Deep Freeze, and Hot & Cold Applications

- **ITC sustained its Plastic Neutral Status for 3rd Year in a Row**

Approach to Sustainability 2.0

Environmental Stewardship

Social Stewardship - Sustainable & Inclusive Growth

Annexures

Product Responsibility and Stewardship

Quality and Safety

ITC has put in place stringent processes and systems to ensure that its products and services comply with relevant regulatory requirements. The Company is committed to providing products and services that offer best-in-class quality and user experience. Manufacturing Units and Hotels are also housed in state-of-the-art facilities and internationally benchmarked quality management systems have been implemented. The Company adopts stringent hygiene standards, globally benchmarked manufacturing practices, and robust quality assurance systems for its products. A summary of some of these practices is provided here:

Branded Packaged Foods

→ All Units are being periodically evaluated against Global Food Safety standards- internally by the Central Quality Team as well as externally by third-party certification bodies for ISO / FSSC accreditations

→ 112 out of 118 of the manufacturing locations (including third-party manufacturing Units) are certified as per recognised global standards like FSSC 22000 / ISO 22000 / HACCP

→ Suppliers undergo periodic evaluation to ensure process robustness and Food Safety compliance

→ ITC is leveraging recent developments in digitisation, by progressively transitioning to digital Quality Monitoring Systems (QMS) in its manufacturing Units

→ Targeted training programmes are provided to the employees on standards such as FSSC 22,000 through expert agencies

▌ ITC Foods Quality and Food Safety Policy ↗

Personal Care

→ Co-creation of products with consumers is accomplished through state-of-the-art labs and facilities. It entails the generation of scientifically evaluated, objective evidence- based robust product claims through various National and International standards and customised methods

→ Partnership with renowned accredited National and International Testing Laboratories for independent third-party validation of product claims

→ A peer-reviewed formal documentation and approval process is in place for substantiating product claims

→ A mandatory safety evaluation process for the product at third-party accredited independent Contract Research Organisations (CROs) is also undertaken and the safety of the products is ensured before commercial launch

→ Continual review of products for certification / endorsements by various National / International bodies for efficacy / safety is undertaken for independent verification and enhancing credibility

B2B Businesses (Agri, Paperboards, Packaging and Printing)

→ Various tests for product quality during the life cycle of agri-commodities namely procurement, processing, storage, and shipment, as per the customers' requirements with accredited laboratories are undertaken before shipment / dispatch.

→ Stringent processes and systems are in place to ensure that the products and services comply with its customer requirements

→ ITC's Paperboards & Specialty Papers Division monitors international and national food safety norms governed by US FDA, BRCGS, EU Laws, German BfR & BIS / FSSAI rules to ensure compliance with food safety. This includes standards such as USFDA 21CFR, EC Regulations (EU) No.10 / 2011, and Regulation (EC)No. 1907 / 2006 of REACH

Hotels

→ Robust food safety management systems (complying with FSSAI / HACCP / ISO 22000) are in place at all ITC Hotels. Standard Operating Procedures are laid down to comply with the norms. The Luxury Collection Hotels and Welcomhotels (Owned Hotels) periodically undergo assessment by third-party auditors

→ ITC Hotels adhere to Good Hygiene Practices (GHP) and Good Manufacturing Practices (GMP)

→ All ITC hotels adhere to the ITC Fire and Life Safety management guidelines that are based on the National Fire Protection Association (NFPA) codes and other international best practices

→ The Company's Hotels Business has also demonstrated high levels of resource efficiency by achieving the LEED® Platinum certification for its Luxury Collection hotels, LEED® Zero Carbon certification for 12 properties, and LEED® Zero Water certification for 4 properties
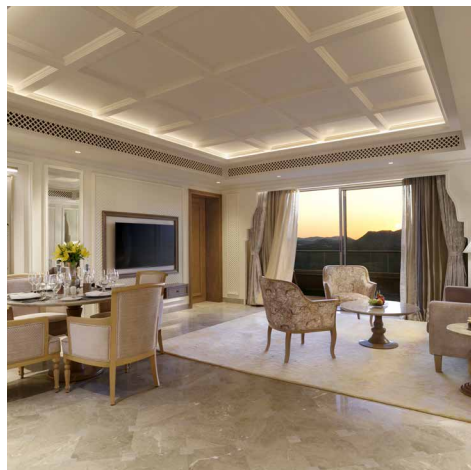
Cigarettes

→ New product creation in the Business involves consideration of global and Indian industry developments and is supported by comprehensive research and testing facilities at the ITC Life Sciences and Technology Centre, where laboratories conform to ISO / IEC 17025 standards and are certified by NABL

→ The manufacturing facilities adopt stringent hygiene standards, benchmarked manufacturing practices, and robust quality assurance systems on which employees are continually trained

Customer Health and Safety

→ The Company's uncompromising commitment to providing world-class products and services to customers is supported by its concern for the safety of its customers / consumers. ITC's commitment to ensuring compliance with applicable standards of health and safety commences at the design stage itself. Risks during procurement, manufacturing, and delivery stages are also mapped and evaluated, based on which necessary control measures are deployed.

Product Information and Labelling

→ As an organisation committed to high standards of transparency and good governance, ITC's Business operations comply with the applicable laws of the nation. As an integral part of ITC's customer satisfaction philosophy, adequate systems with respect to product information and labelling, and customer engagement have been put in place. During the year, no incident of non-compliance concerning product and service information and labelling was reported.

Some glimpses of practices have been detailed below:

Branded Packaged Foods

→ All information about ingredients and nutrition of food products has been published on the product packaging as per relevant statutory requirements

→ All claims and nutritional information are provided to consumers in line with current applicable laws and line with ITC Foods Division's Labelling Policy and ITC Foods Division's Marketing & Communication Policy

→ Furthermore, to avoid ambiguity regarding sensitive food additives, source name declaration for all sensitive emulsifiers used in ITC's products is being declared upfront on the product labels. In some specific cases, product quality information via test reports, organic certification status, etc. are being provided to consumers by simply scanning the given QR code provided on the pack labels

→ The product nutritional attributes viz., source or richness of a particular nutrient in a product are being communicated to consumers wherever applicable in a responsible manner
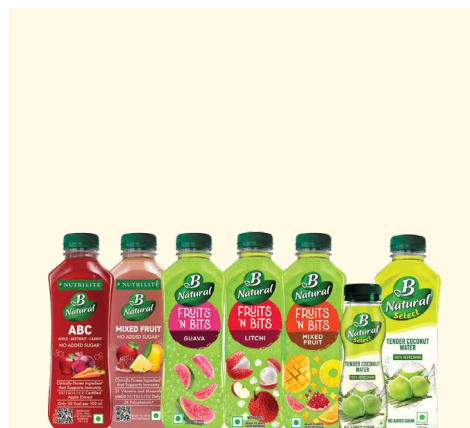
Personal Care

→ Products comply fully with the Standards of Weights and Measures Act (Packaged Commodities Rules), Drugs & Cosmetic Act, Bureau of Indian Standards, and the applicable Trademarks Law

→ The product labelling in addition to instructions for safe and effective usage, calls out specific product sustainability features such as:

- Bottle made with 50% recycled plastic, Wrappers made with 70% PCR film, 90% Natural Origin Content, Recyclable Packaging
- No Paraben, No Silicon, No TCC
- Skin Friendly pH, Skin type suitability

→ All fragrances used in products comply with IFRA standards. In line with statutory requirements, any allergens in the product are mentioned in the ingredient list.

Education and Stationery Products

→ Labelling on all products follows the statutory requirements including standards specified by Legal Metrology acts and statutory requirements under Plastic Waste Management, Rules.

→ For art stationery products, EN 71 certification is followed by the manufacturer which complies with Child Safety norms. Also, erasers sold by ESPB follow a phthalate-free formula focussed on child safety.

→ FSC® labelling protocols are followed for Paperkraft Notebook SKUs (85% coverage).

Safety Matches and Agarbatti

→ Product-specific claims on packs in select SKUs for consumer awareness such as:

- Communication on long-lasting fragrances
- Charcoal free Agarbatti
- Number of quality checks performed on the product

Packaging and Printing

→ The products are labelled in accordance with customer specifications

→ Every package has a unique identity (label with a bar code) with traceability information available right from the time of purchase of raw material till it is packed and shipped to the customer's destination

Agri-Business

→ Products are primarily sold by the Agri-Business on a B2B basis, and are labelled as per customer requirements on quality, shipping marks, or in line with the labelling requirements of the importing country.

- The Business also provides phytosanitary certificates, survey or quality, and quantity reports, as well as Chamber of Commerce certificates, etc., as necessary. The Business complies with the statutory requirements for exports.
- Products sold through Choupal Saagars are labelled as per statutory requirements.

→ In Leaf Tobacco Strategic Business Unit, the products are labelled in accordance with customer specifications. Unique identity (label with a bar code) is maintained for every product across the value chain, right from raw material sourcing (from farmers) till it is packed and shipped out.

Responsible Marketing

→ The Company's communications are aimed at enabling customers to make informed purchase decisions. The Company is also making efforts to educate customers on responsible usage of its products and services.
→ ITC's Consumer Goods Businesses adhere to voluntary and legal codes of conduct and follow the ASCI (Advertising Standards Council of India) Code for marketing communications. ITC's Hotels Business follows a self-regulated marketing communications approach, guided by the ISA (Indian Society of Advertisers) rules and guidelines.
→ The Cigarettes Business is governed by the Cigarettes and Other Tobacco Products (Prohibition of Advertisement and Regulation of Trade and Commerce, Production, Supply and Distribution) Act (COTPA).

During the year, no incident of non-compliance concerning marketing communications was reported.

Savlon Swasth India Mission

Preventable infections create a huge economic burden on our country and regular handwashing is one of the simplest, most effective ways to stop the spread of diseases. This habit, however, needs continuous emphasis and engagement to build.

Savlon Swasth India Mission, ITC's social programme, has been conceived to positively impact regular handwashing practices amongst children, thereby helping reduce preventable infections. Since its inception in 2016, Savlon Swasth India Mission has relentlessly worked towards creating an innovative hand hygiene programme that engages children and helps inculcate the habit of washing hands with soap / handwash.

In line with its proposition of Healthier Kids, Stronger India, Savlon Swasth India Mission continues its endeavour to make children, and community change champions who practice and encourage proper hand hygiene habits.

Since 2016, ITC's Savlon Swasth India Mission has reached over 37,000 schools and touched the lives of over 10 million children with its innovative outreach and is one of the largest hand hygiene education programmes run globally. In FY 2023-24, Savlon Swasth India Mission reached over 12,500 schools and 2.6 million children to promote hand hygiene via the school programme. This ongoing initiative has effectively instilled hand hygiene practices among primary school students, demonstrating tangible results leading to habit change.

As per the Kantar impact report in March 2024 commissioned to assess the impact of the Savlon Swasth India Mission in select centres, it was observed that there is an increase in overall handwashing occasions by children who have attended the programme. Mothers also perceived their child's health to have gotten better post the campaign which points to the initiative's role in increasing awareness about handwashing. The study also reports on higher compliance to handwashing occasions by children who had been a part of the programme. The school initiative has also generated conversations where children are discussing the initiative and mothers are discussing about the improvements in their child's handwashing habits and the programme benefits.

With a focus on innovation in design and communication, the mission has introduced various initiatives such as Savlon Healthy Hands Chalk Sticks, Savlon ID Guard, and the recent Hand Ambassador and Handwashing Legend campaigns, all aimed at fostering education and promoting good hygiene habits.

Savlon Swasth India is a mission towards ensuring the good health of all our children and thus enhancing their performance to shape the future of a billion dreams. Healthier kids, Stronger India!

Approach to Sustainability 2.0

Environmental Stewardship

Social Stewardship - Sustainable & Inclusive Growth

Annexures

Data Privacy

Data privacy is relevant to ITC including its Information Technology Business. Systems and procedures have been established to ensure that there are no instances of non-compliance resulting in a breach of data privacy. The Business has a privacy policy, developed in line with the IT Act, 2000, that covers all aspects of data privacy with respect to sensitive information.

Network architecture and information security controls of the Business, driven by industry best practices, ensure compliance with the privacy policy. The Business has also formulated an Information Management policy catering to IT security aspects of the ISO 27001 Information Security Management System (ISMS). The IT operations arm of ITC Infotech Limited is ISO 27001 certified. Documented procedures are available and practised to control physical access to information, e.g. the defined and restricted access rights to IT Room / Server Room and User Access Management based on ISO 27001 and as agreed upon with customers.

The Business has also put in place measures at various control areas to meet customers' requirements for data security. These include desktop access, server access, network access, operating system, application security, data transfer, penetration testing, etc. Clear guidelines are provided for data backup, retention periods, the media on which backups have to be maintained and storage at remote locations. In addition, stringent risk assessments are carried out to identify vulnerabilities and threats to assets and determine the controls that need to be put in place.

During the year, no complaint related to breach of data privacy or loss of data was received.

Compliance

All businesses / divisions of ITC have established systems, procedures and review mechanisms to identify and comply with the laws and regulations concerning their products and services. Every business and corporate function periodically submits statutory compliance reports to the CMC / Board on regulatory, product-specific, finance / revenue, personnel, technical / process and environmental statutes, and other applicable laws and regulations. This is done based on updated checklists backed by appropriate monitoring and control systems maintained by each unit / business / corporate function.

Consumer Feedback Management

ITC's endeavour has been to developing long-term relationships with consumers through robust consumer engagement. As an integral part of ITC's consumer satisfaction focus, attention is paid to product information and labelling and consumer engagement by the Businesses. ITC's Businesses have established a system for monitoring customer satisfaction, and it ensures that the feedback is addressed systematically. In addition, the Company has an online reputation management team which interacts with consumers via social media channels and responds to their queries in a real-time manner.

A Customer Relationship Management (CRM) platform has been implemented for capturing complaints, queries, feedback and suggestions received across channels. The CRM platform also provides consumer insights for bringing about process-related changes and system enhancements for improving the CSAT (Customer Satisfaction) scores. Some glimpses of practices have been detailed below:

FMCG
A well-established system is in place for dealing with consumer feedback. Consumers are provided multiple options to connect with the Company through email, telephone, website, social media, feedback forms, etc. In addition, the Company's Businesses have dedicated consumer response cells to respond to their queries and receive feedback on products to enable continuous improvement of its products and services. The Company is also piloting AI-enabled conversational bots to enhance the current approach towards a speedy resolution of consumer / customer grievances. Additionally, brand health is also tracked through large-scale equity studies.
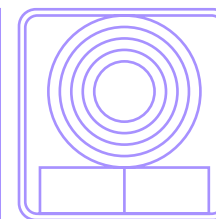
Paperboards and Specialty Papers
A customer satisfaction survey for paperboard converters in India was conducted during the year, and the results are awaited. As per the last survey in FY 2022-23, close to 90% of the respondents were satisfied with the Division, and around two-thirds of the respondents selected PSPD as the Best Supplier.
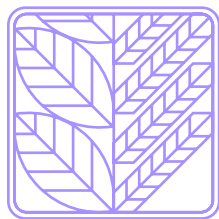
B2B Businesses (Agri, Packaging and Printing)

As an integral part of ITC's customer satisfaction philosophy, where applicable, adequate systems for customer engagement have been put in place.

Customer feedback for B2B businesses like Agri-Business and Packaging and Printing is obtained through different channels.

For the Packaging and Printing Business, a customer satisfaction survey is carried out by an external agency periodically to understand performance. The most recent survey carried out in FY 2022-23, found that close to 50% of the customers as promoters (i.e., a score of 9/10 out of 10) and around 45% as passives (i.e., a score of 7/8 out of 10). Overall, the satisfaction score was 79.9%.

Hotels

The Hotels Business has a well-established system for monitoring guest satisfaction levels across all properties through a proprietary index called WoW Ratio. The three-tiered process followed by ITC Hotels ensures that guest feedback is addressed systematically and satisfactorily.

Report Analysed
→ Scores are generated for the hotel and individual departments
→ Scores are compared against the target set
→ Improvements Identified and Implemented
→ Data is analysed to identify areas of improvement
→ Monitored and Verified
→ Scores are monitored to ensure that corrective action has been effective
→   Audits are conducted to check the efficacy of the changes

As per the Customer Feedback System, the guest satisfaction level / Index, also known as WoW Ratio for FY 2023-24 is 92.46 %.

Information Technology

→ The survey is conducted among Chief Executives and Senior Management of client firms and is based on a structured questionnaire customised for the stakeholders.
→ Multiple parameters and business outcomes, including satisfaction, loyalty, advocacy and value for money, are measured.
→ The outcomes and insights from the survey are utilised to drive customer engagement and improve service delivery at the organisation, business unit, and account level.

'Sixth Sense' - ITC's AI-Powered Tool for Gaining Deep Consumer Insights

Additionally, ITC Businesses continue to leverage the power of digital to drive superior consumer insights & innovation, deepen consumer engagement, and enhance brand loyalty. The Marketing Command Centre and Consumer Data Hub - and AI-powered hyper-personalised platform backed by a robust partner ecosystem for content and data, is being increasingly utilised to gain insights on market trends and consumer behaviour, as well as synthesise the same to craft contextual and hyper-personalised brand communication and product development.

Road Ahead

As part of its Sustainability 2.0 Vision, ITC is committed to:

Sustainable Product Innovation

Continue to drive world-class innovation

by leveraging LSTC's Centres of Excellence in Biosciences, Agri-sciences and Materials sciences, and future-ready platforms such as Beauty & Hygiene, Health & Wellness, Agro-forestry, Crop Sciences, Consumer and Sensory Sciences and Sustainable Materials & Packaging.

Expanding ITC's sustainable product portfolio

by leveraging LCAs across key categories, and deep consumer insights gathered using new-age technologies.
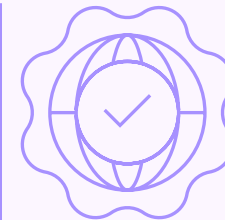
Product Responsibility and Stewardship

Continue to implement global best practices and standards

on quality, safety, and transparency.

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Nutrition

Delivering on ITC's Nutrition Strategy – "Help India Eat Better"

In the last few decades, India has advanced across different facets of economic and social factors. However, it still faces the challenge of managing the 'Triple Burden of Malnutrition' across all levels of society. As per the latest National Family Health Survey (NFHS-5), only 11.3% of children aged 6-23 months received an adequate diet, children under the age of 5 years suffered from stunting, wasting, and underweight, 22.9% of men and 24% of women were either overweight or obese, and more than 50% women between the age group of 15-49 years were anaemic. This necessitates transforming food systems to ensure access to safe and nutritious food most sustainably.

As one of India's leading foods companies, ITC supports the national nutritional and health priorities emanating out of India's commitments towards Mission Saksham Anganwadi and Poshan 2.0 as well as the achievement of UN Sustainable Development Goals (SDGs) wherein at least 12 of the 17 SDGs include nutrition-linked indicators. ITC's Nutrition Strategy is also in line with Government of India initiatives like Anemia Mukt Bharat, Kuposhan Mukt Bharat, Surakshit Matritva Abhiyan, Aspirational Districts Programme, and International Year of Millets.

Value-Added Products Portfolio

Healthy Communities

Sustainable Food Ecosystem

Employee and Consumer Awareness

🔖 Read more ↗

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Highlights

ITC achieved the first rank in ATNI India Index 2023 amongst 20 of the largest Indian food & beverage manufacturers as assessed by the globally recognised Access to Nutrition Initiative (ATNI).

The index is published every 2-3 years and evaluates companies on their governance and management, production and distribution of healthy products, influence on consumer choices, and policies and actions targeting priority populations at high risk of malnutrition.

The Index is divided into seven categories – Governance, Products, Accessibility, Responsible marketing, Workforce nutrition, Labelling, and Policy engagement. In category-specific rankings, ITC achieved 'Rank 1' in 5 out of 7 categories. ITC is specifically recognised for: →

Exhibiting advanced levels of reporting on nutrition strategies (healthier products & TERM Commitment)

Distinctly putting across nutrition-related risks and transparently reporting them

Being 1st amongst all companies for workforce nutrition. The index recognised the Company's efforts to make available healthy food at work, nutrition education to employees, nutrition-focussed health checks etc.

Continuous support to the Food Safety and Standards Authority of India (FSSAI) agenda to tackle micronutrient deficiencies in the Indian population by voluntarily fortifying 100% of its milk (with Vitamins A and D) and a variant of packaged wheat flour (with Iron, Vitamin B12 & Folic Acid)

Having targets in place to increase levels of beneficial ingredients such as whole grains fruits, vegetables, nuts, and legumes (FVNL)

Robust Food Division Marketing and Communication Policy, which outlines in full its responsible marketing policy, which covers all audiences, and is applied across all media. This shows the Company's responsible commitment to marketing to children, with ITC being the only company to have the appropriate age band for children.

ITC's Approach to Nutrition

Under its Nutrition Strategy -
"Help India Eat Better", ITC has nurtured
an ecosystem of a 4-pillar model to
support a healthier nation.

**Value-added
Products Portfolio**

1 Sustainable
food ecosystem
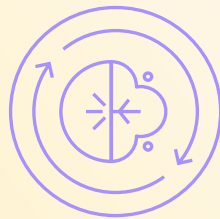
2 Healthy
communities
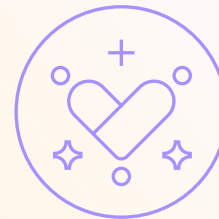
3 Employee and
Consumer Awareness
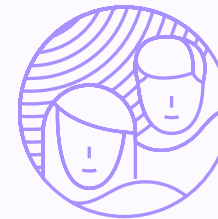
4

The strategy has been developed to create an ecosystem
and guide the organisation towards supporting the dream
of a healthier nation via value-added products, sustainable
food system initiatives, empowered people and healthy
communities. This also includes focus on diet diversity, food
fortification, leveraging traditional systems of knowledge
and use of millets.

Pillar 1

Value-added Product Portfolio

Food and nutrition are essential components to lead a healthy balanced life. As part of its core strategy, ITC's Foods Division works towards designing products that are safe, prepared as per the best hygiene standards and can be enjoyed as part of a balanced diet. It is a constant endeavour to support sustainable food systems by addressing the needs of vital nutrients such as protein, fibre, iron, zinc, and vitamin A, and value adding ingredients like millets, whole grains, multigrain, pulses and legumes, fruits and vegetables, nuts and seeds, herbs, spices, dairy and egg as part of the product portfolio. Addition of vital nutrients and nutritious food ingredients helps in addressing the essential needs of discerning consumers, especially around key micro-nutrient deficiencies.

Core components of ITC Foods Division's product formulation and reformulation strategy are:

- **Enhanced Nutrition Commitment**
- **TERM (The Eat Right Movement) Commitment**
- **Nutrition Profiling System**
- **R&D Science and Technology platform**
- **Responsible Policies**

These core components drive the focus on reducing all forms of malnutrition including obesity, diet-related diseases and micronutrient deficiencies, especially amongst vulnerable populations.

Enhanced Nutrition Commitments

ITC Foods Division has committed on below mentioned 'Enhanced Nutrition Commitments' to be achieved by 2025. These commitments will continue to support the business' larger belief in delivering healthier food choices and make informed decisions regarding product formulations.

To provide goodness of protein from

90%

of the current portfolio

To double the product portfolio that provides goodness of iron

To keep per-serve calorie delivery

below 100 kcal for products targeted to children

To provide goodness of fibre from

75% of the current portfolio

To keep per-serve calorie delivery

below 100 kcal for chocolates and confectionary

To increase the product portfolio with the goodness of whole grains, nuts, legumes, fruits, and vegetables by

50%

ITC Foods Division will continue to work on emerging research areas like gut health, vital ageing and millets, especially as per the needs of Indian consumers and make more nutritious choices available to them.

Highlights

88%
of ITC products provide
goodness of protein

19%
of ITC products provide
goodness of micronutrients

100%
of ITC's dals are organic

72%
of ITC products provide
goodness of fibre

ITC has sold more than
4,42,800 metric tonnes
of food with the goodness of
micronutrients

**Products with a Special Focus on
Goodness of Protein & Fibre**

100%
of ITC's staples (atta, ready-to-cook chapati,
organic Dals etc.,) are source of protein

70%
of ITC's dairy-based beverages are
a source of protein

100%
of ITC's snacks portfolio has the goodness of
protein

91%
of ITC's ready-to-eat portfolio provides
goodness of protein

93%
of ITC's fresh dairy has goodness of protein

100%
of ITC's papad portfolio is rich in protein

100%
of ITC's noodles and pasta are a source of
protein

99%
of ITC's staples are a source of fibre

69%
of ITC's B Natural (juices, fruit beverages)
portfolio is a source of fibre

88%
of ITC's snacks portfolio have goodness of
fibre

98%
of ITC's Sunfeast Farmlite range is rich in fibre

99%
of ITC's noodles & pasta are a source of fibre
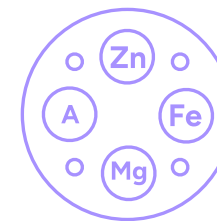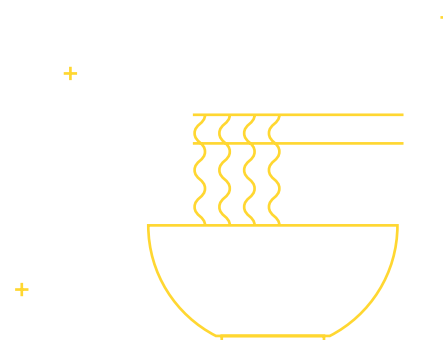
**Products with a Special Focus on
Goodness of Micronutrients**

100 %
of ITC's fresh dairy provides natural goodness
of micronutrients

94%
of ITC's B Natural (juices, fruit beverages)
portfolio is source of micronutrients

18%
of ITC's biscuits portfolio is source of iron
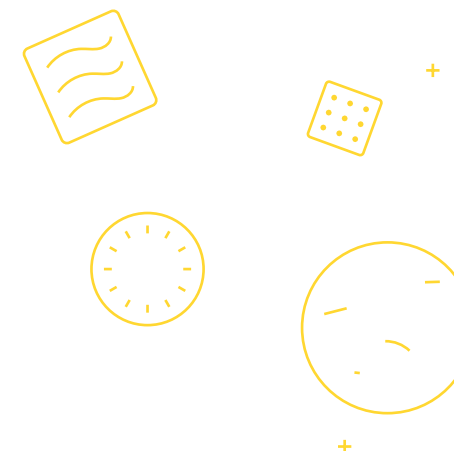
Specially Formulated Products

Atta With Millets: This is a source of protein, dietary fibre, manganese and magnesium. The flour is made with Jowar, bajra, ragi, and navane

Aashirvaad Millets Batter Mix: This product is formulated with a variety of millets such as ragi, navane, bajra, jowar, and quinoa. This product is a source of protein, dietary fiber, manganese and magnesium

Himalayan Pink Salt: It is also known as saindhava lavana is considered the best salt by Ayurveda. It is a source of calcium and magnesium

Aashirvaad Ragi Vermicelli: Ragi vermicelli comes with delightfully long strands and is a source of iron, calcium and dietary fibre

B-Natural Select Tender Coconut Water: B Natural Select Tender Coconut Water contains no added sugar or artificial flavours; it is naturally fat-free and helps one stay hydrated

Sunfeast Supermilk Biscuit: The biscuits are enriched with the goodness of 4 immunity nutrients: Vitamin A, Vitamin B12, Iron, and Zinc

Snacking with millets

Bingo Tedhe Medhe Chatpata Twist: A millet twist to the signature blend of Tedhe medhe masala

Candyman Fantastik: The new millet choco stick contains a multi-millet mix of jowar, foxtail, ragi, and bajra along with the delight of choco crème

	Commitment	Status
Added Sugar	**2020** 5% reduction in current 3/4th portfolio - Biscuits & Beverages	✓
	2023 Further 5% reduction in current 3/4th portfolio - Beverages	✓
Salt / Sodium	**2020** 5% reduction in current 3/4th portfolio - Snacks & Instant Noodles	✓
	2023 Further 5% reduction in current 3/4th portfolio - Snacks & Instant Noodles	✓
Trans Fatty Acids *(Hydrogenated Vegetable Oil Origin)*	All ITC Food Products are "trans-fat free" on a per-serving and per 100g basis	✓
Total Fat	**2022** 5% reduction in current 3/4th portfolio - Snacks	✓
	2023 Further 5% reduction in current 3/4th portfolio - Snacks	✓
Saturated Fat	**2022** 5% reduction in current 3/4th portfolio - Snacks	✓
	2023 Further 5% reduction in current 3/4th portfolio - Snacks	✓

+F portfolio: ITC continues to fortify all its milk portfolio with vitamins A & D and offers atta fortified with Iron, Folic acid & Vitamin B12 for its consumers, in selected geographies.

The Eat Right Movement (TERM) Commitment

In 2018, ITC embarked on the journey to support FSSAI's Eat Right India movement with a pledge to reduce the nutrients of concern in applicable and appropriate categories, while still delivering on the taste profile of products. The Foods Division has been able to successfully achieve all its targets in time and this has been made possible due to the tremendous efforts of product development teams by using the latest technology, ingredients and research and development.

ITC plans to continue reducing appropriate nutrients of concern in specific categories (like added sugar and saturated fat) along with maintaining its entire portfolio as Trans-Fat-Free.

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Sugar Reduction in Bounce Crème Biscuits

ITC's Crème biscuits are deliciously fun to eat and enjoyed as a perfect sweet snack by all. These biscuits are available in different flavours like Bounce Choco crème, Orange crème etc, and are one of the high-selling biscuits amongst the biscuit portfolio. The sweetness in crème biscuits is a key attribute which defines its likability. To support the FSSAI's Eat Right Movement, ITC has taken up the challenge to reduce sugars while maintaining the taste and delight, the products are expected to provide consumers.

Sugar reduction is important to support the wellness journey of ITC's consumers, but sugars have a huge role to play in the structural design of the biscuits and hugely impact the taste and overall acceptability of the product as well. Sugars also have a multi-fold impact on biscuits' rheological properties like hard-bite, thickness and colour. To achieve the critical task of keeping the reduced sugar product at par with the previous product, a panel of experts from the R&D team along with the process excellence team, worked on redesigning the product formulation and redefining the different aspects of operations to achieve the reduction target. After multiple trials in the pilot plant and in the factory along with support from supplier partners, the business was able to achieve a similar taste profile with reduced sugar content. The learnings from this project were immense and have also helped achieve sugar reduction in other biscuits.

Overall, ITC Foods Business has achieved a 5% reduction in sugar across 75% of the biscuits portfolio, thereby providing better choices while supporting FSSAI's Eat Right Movement.

ITC Foods Division's Nutrition Profiling System

ITC Foods Division's Nutrition Profiling System has been developed in the context of India's nutrition challenges, and unique food diversity and is also aligned with many global and national benchmarks. The profiling methodology acknowledges the importance of enhancing diet diversity, enrichment and positive nutrition by value addition via macro and micronutrients (critical vectors of fortification), whole grains, multi-grains, nuts, legumes, vegetables, pulses, millets, dairy, and fruits and vegetables along with management of reduction of nutrients of concern like added sugar, saturated fat, trans fat and sodium in all appropriate product categories.

ITC Foods Division's Nutrition Profiling system has been designed under expert guidance, keeping in mind the public health needs, dietary patterns, and dietary recommendations such as those issued by the World Health Organisation (WHO), ICMR-NIN, and FSSAI, while including the scientific rationales from other globally accepted profiling systems. This profiling system enables the ITC Foods Division to continuously map its product portfolio and ensure progress in line with its commitment to providing sustainable, affordable and accessible food choices.

ITC Foods Division commits to achieve 90% of its sales (relative to overall sales) from a healthier portfolio basis ITC's Food Division Nutrition Profiling System by 2025.

▐ **Foods Division: Nutrition Profiling System** ↗

R&D-led Science and Technology Platform Development

In the context of the new era of health and wellness, ITC Life Sciences and Technology Centre (LSTC) has taken up innovative projects to deliver not only tasteful but science-based consumer-driven products also. State-of-the-art research along with ITC's value chain outreach from farm to fork has been leveraged to deliver differentiated and nutritionally sound products. The team of scientists and subject matter experts support brands to be market leaders by offering sustainable food choices to consumers in various emerging domains like healthy ageing, gut health, diabetes and metabolic health.

Responsible Policies

ITC Foods Division has instituted a robust set of publicly available policies for guiding its nutrition and product sustainability strategy. These policies are constantly monitored at the Division level and reviewed for systematic implementation. The policies include:

→ Quality and Food Safety Policy
→ Food Products Policy
→ Nutrition Policy
→ Marketing and Communication Policy
→ Labelling Policy
→ TERM Commitment
→ Policy on Food Loss and Waste
→ Nutrition Profiling System
→ Nutrition and Public Health Engagement Policy

▐ **Read More** ↗

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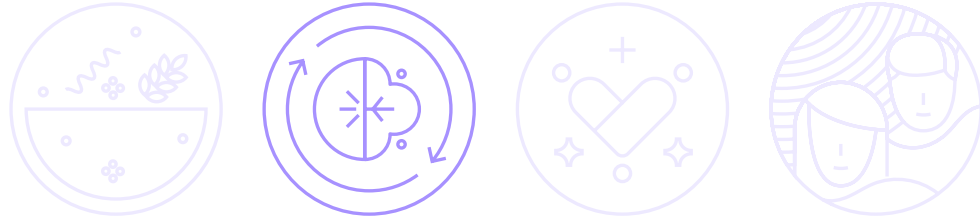
Pillar 2
Sustainable food eco-system

Sustainable food production is central to the global sustainability agenda and requires a systems-based approach for accelerating and scaling inclusive innovation that meets the needs of various stakeholders. ITC has always focussed on building sustainable value chains and its approach towards creating a sustainable food ecosystem entail providing sustainable, affordable and accessible food solutions, reducing food loss and waste, and creating an eco-friendly food production system across the value chain. These endeavours support the achievement of UN SDGs like SDG 12 (Responsible Consumption and Production) and SDG 13 (Climate Actions).

Affordability and Accessibility Strategy
Pricing of food products can have a significant impact on the level of undernutrition, micronutrient deficiency and obesity at a community level. Providing consumers with appropriately priced and accessible healthier products encourages healthier eating behaviour.

ITC Foods Division Affordability and Accessibility strategy includes:

Innovation and renovation strategies e.g., using locally available nutritious ingredients and fortification of healthier portfolio at affordable pricing

Mapping of specific price points to enable wider adoption

Operational capabilities e.g., local manufacturing, closer-to-market production units, lean processes and digital stores

Local and widespread distribution system via traditional (e.g., Choupal Saagars) and digital means (e.g., ITC's online store – ITCStore.in)

Food Loss and Waste Management
The amount of food lost and wasted impacts food security, environmental sustainability and economic stability. Globally, around 13% of food produced is lost between harvest and retail. Significant quantities are also wasted in retail and at the consumption level. Food that is lost and wasted accounts for 38% of total energy usage in the global food system. Hence, there is an urgent need to focus on the adoption of integrated approaches designed to reduce food loss and waste, thereby supporting the transformation of food systems into resilient and sustainable ones.

In line with ITC's Sustainability 2.0 vision, the Foods Business Division along with Agri-Business systematically works toward the management of food loss and waste with multiple stakeholders across key agri-value chains. This includes initiatives like improving crop productivity in agri-value chains of wheat, spices and potato, improving operational efficiency, partnering with suppliers and farmers and reducing wastage at the production and distribution end. Appropriate labelling and consumer education on portion sizes also support the goal of reducing food loss and waste.

ITC Foods Division also has a robust system for tracking and monitoring the wastes in its manufacturing units. This helps to identify areas where food waste is being generated and track progress for reducing wastage over time.

ITC has also developed a guideline for its suppliers and vendors to help them act to reduce food loss and waste. ITC Foods Division also facilitates independent third-party webinars / trainings for key suppliers and vendors to increase awareness on food loss and waste management.

ITC Food Division has set an interim target to reduce the Food Loss and Waste (FLW) Intensity (generation of food-related waste per tonne of production) by 30% by 2027-28 from the 2018-19 baseline.

Healthy Planet, Healthy You
The well-being of the planet is related to the well-being of people. A better climate means better agriculture and better agriculture means good nutrition. ITC supports the purpose of **'Healthy Planet, Healthy You'** by helping reduce carbon emissions through green and efficient manufacturing and local sourcing agricultural produce such as fruits for B Natural beverages. ITC also supports the production and use of traditional millet and is known to be planet-friendly with products like Farmlite Millet Cookie, Aashirvaad Atta with Millet and Aashirvaad Millet Batter Mix.

Pillar 3
Healthy Communities

In line with the national health priorities, programmes and the Sustainable Development Goals, ITC works towards developing a robust framework of appropriate stakeholders and engages in various community-centric health initiatives. ITC's focus through these initiatives has always been to improve the overall quality of life of people, address the challenges and needs of vulnerable populations, and bring positive changes in health, livelihood, and the environment.

ITC's initiatives focus on nutrition and wellbeing, women empowerment, environment sustainability, food safety and education. A summary of initiatives undertaken by ITC's Foods Business during the year is presented below:

Table 1: ITC Foods CSR Programmes – Coverage and Impact

Project Name	State	SDGs	Beneficiaries	Initiatives & Interventions
Nutrition				
Project Samposhan *Objective: Anaemia prevention, management and awareness amongst adolescent girls, women and frontline workers*	Uttar Pradesh, Karnataka	2 ZERO HUNGER / 3 GOOD HEALTH AND WELL-BEING	• 53,000 women and adolescent girls • ~2,500 master trainers (frontline workers) • ~1,24,000 estimated community beneficiaries (Pregnant & lactating women, women in reproductive age group, adolescent girls)	• **Gorakhpur:** conducted training for frontline workers & school teachers on the early management of iron deficiency anaemia • **Karnataka:** training sessions were done for frontline workers of various departments who in turn also reached community beneficiaries regarding the management of anaemia **Overall, this project has reached ~1,84,000 beneficiaries (FY 21-24)**
Project Balposhan *Objective:* Improvement of nutritional status of children under 5 years through millet-based intervention	Gujarat	2 ZERO HUNGER / 3 GOOD HEALTH AND WELL-BEING	• 450 U-5 children • 450 mothers • 420 community beneficiaries including fathers and PRI members	• Collaboration with IIMR-Nutrihub for a millet-based nutrition intervention to provide moderately malnourished U-5 children with high protein, energy-dense foods • Education session for mothers of U-5 children on maternal and child health and nutrition • Using activities such as 'Poshan Mela' and 'Saanjh Saba' educated fathers and PRI members on child growth and development and healthy nutritional practices **Overall, this project has reached 2,100 beneficiaries (FY 22-24)**

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Project Name	State	SDGs	Beneficiaries	Initiatives & Interventions
Age Right *Objective: Promoting sustainable livelihoods through nutrition and literacy for ageing Indians*	Delhi NCR, Uttar Pradesh, Maharashtra, Madhya Pradesh, West Bengal, Karnataka, Tamil Nadu	[SDG 3, 4, 10]	• 5,850 citizens	• 5,000 beneficiaries were given digital and financial literacy and 850 were provided nutri-kits • 4,227 beneficiaries were also surveyed to better understand their lifestyle modifications and diet concerns as they age
Education				
Bounce of Joy *Objective: Introduce football to school children, fostering holistic development and enabling education through sports*	UP, Rajasthan & Karnataka	[SDG 3, 4, 5, 10]	• 3 lakh students, • 300 PE Teachers	• Introduced the sport of football through engaging educational methods, fostering holistic growth. • Provided necessary football equipment to partner schools, augmenting their sports education resources • Trained PE teachers on effective football coaching techniques • The programme also focussed on other factors that support a healthy lifestyle like adequate nutrition, hydration, sleep etc.
Women Empowerment				
Project Samarthya *Objective: Creating sustainable livelihood opportunities through papad rolling for women*	Rajasthan	[SDG 5]	• 200 women	• Expert-led training on food safety, quality, hygiene, digital financial literacy etc. • Distribution of papad kits for 145 women. • Dual certification of FSSAI Food Safety Supervisor and Skill India Industrial Production Worker (Food Processing) • Refresher training for 55 women on quality, hygiene and digital financial literacy **Overall, this project has reached 200 beneficiaries**
Aashirvaad Raho 4 Kadam Aage *Objective: Encouraging women's empowerment through certified training across various entrepreneurial sectors*	Uttar Pradesh, Uttarakhand, Haryana, Delhi, Rajasthan, Punjab, Jharkhand	[SDG 5]	• ~71,000 women	• Expert-led, certified training provided on skill development in the food processing sector, micro-allied skills, agriculture sector etc. • Dual certification of " FSSAI-FoSTaC" and "Skill India" • Creating livelihood opportunities for women by establishing market linkages
Naanu Kooda Raita *Objective: Promoting gender equality in agriculture, skill support increasing awareness to the general public and recognition of the critical role played by women farmers*	Karnataka	[SDG 5]	• ~600 women farmers	• Trained women farmers on aspects of: – Financial – Technical – Market linkages – Nutrition
YiPPee Live Better *Objective: Support migrant women from lower socio-economic strata in their entrepreneurial journey by providing financial support and technical know-how to set up Food Consumption Outlets*	Delhi-NCR	[SDG 1, 2, 3, 4, 5, 8, 10]	• 85 women	• Trained 85 migrant women in vocational skills (including food-related and safety / hygiene-related skills), soft skills (including business management, entrepreneurial skills, socio-emotional skills), and technical skills (including financial & digital literacy) • 25 Food carts were also provided to these women post-training • The programme has provided better livelihood opportunities to these women

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Project Name	State	SDGs	Beneficiaries	Initiatives & Interventions
Food Safety				
Swasthya Bengal Swasthya Andhra *Objective: Engage women through various multidimensional sensitisation activities and the formation of peer educator groups that will create effective awareness of adulteration in spices and its impact on health*	West Bengal Andhra Pradesh	2 ZERO HUNGER / 3 GOOD HEALTH AND WELL-BEING / 5 GENDER EQUALITY / 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	• 77,249 women (Swasthya Bengal) • 46,200 women (Swasthya Andhra)	• Created a cohort of dedicated peer educators Pradhan Suraksha Sakhi and trained them on food safety and home-based food adulteration tests • Pradhan Suraksha Sakhi's spread awareness among vulnerable women / households in society • The programme has not only empowered these women to make better choices while purchasing food / spices for their households but also gave them a purpose to make a difference in their lives as well as in society **Overall, 1.3 lakh beneficiaries (FY 22-24)**
Sashaktikaran *Objective: Empower marginalised women by providing comprehensive culinary and food safety trainings to provide better livelihood opportunities*	West Bengal	1 NO POVERTY / 2 ZERO HUNGER / 3 GOOD HEALTH AND WELL-BEING / 4 QUALITY EDUCATION / 5 GENDER EQUALITY / 8 DECENT WORK AND ECONOMIC GROWTH / 10 REDUCED INEQUALITIES	• 200 marginalised women entrepreneurs	• Comprehensive approach encompassing culinary, and food safety training including cloud kitchen exposure visits • Dual certification FSSAI- FOSTAC and Skill India • Women entrepreneurs were able to modernise their approach, reach a broader customer base, and enhance the overall quality of their culinary offerings
Umang *Objective: Enhancing food safety practices among cooks and caterers*	West Bengal	3 GOOD HEALTH AND WELL-BEING / 4 QUALITY EDUCATION / 6 CLEAN WATER AND SANITATION / 10 REDUCED INEQUALITIES / 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	• 1,411 caterers	• Created awareness in the catering community about food safety and hygienic standards as per FSSAI guidelines. • Provided FOSTAC certification to the catering community to ensure the end users have trust in their services, in turn providing better livelihood opportunities. • The programme also helped build awareness about the critical role FSSAI plays in the food safety control systems of the country
Environment Sustainability				
YiPPee Better World *Objective: Promoting sustainable practices and reducing the impact of plastic waste on the environment among students*	Karnataka, Tamil Nadu	3 GOOD HEALTH AND WELL-BEING / 4 QUALITY EDUCATION / 6 CLEAN WATER AND SANITATION / 11 SUSTAINABLE CITIES AND COMMUNITIES / 12 RESPONSIBLE CONSUMPTION AND PRODUCTION / 13 CLIMATE ACTION	• 5.1 lakh students	• Reached 5.1 lakh students in Bengaluru & Chennai and created awareness about the harmful effects of plastic waste and promoted sustainable practices such as reducing plastic consumption, recycling, and reuse. Also, conducted Science fairs on how to reuse / reduce / recycle waste • Provided basic facilities in schools through the deployment of ~2485 recycled benches and desks made from plastic waste. ~1010 dustbins installed across schools • ~932 schools have been covered this year through this programme • 42,245 kg of waste was used to make these benches in FY 2023-24. **Overall, 7.6 lakh children have been reached and 3,500 benches and desks deployed to date**

Swasthya Bengal

Mrs. Mandira Adhikari Goswami is a 32-year-old, very energetic, and socially active woman. She lives in Patiram village in Dakshin Dinajpur District of West Bengal, with her husband and son. She works as a nurse in the district's veterinary hospital.

Since childhood, she used to admire her father, a teacher, as her role model. She observed that her father received enormous respect from the society and students. She also wanted to be a teacher and work for society at grassroots level. However, she couldn't be due to certain life circumstances.

In September 2023, when she received the opportunity to engage in the Swasthya Bengal Programme as Pradhan Suraksha Sakhi, she felt that this was the opportunity to live her unfulfilled dream. She actively participated in the training sessions and very earnestly learned about food safety and food adulteration tests. She further created awareness amongst fellow women in her village about food safety, hygiene, and food adulteration. Within a few months, she trained more than 100 Community Suraksha Sakhis. These Community Suraksha Sakhis further spread the message about the ill effects of food adulteration, amongst thousands of rural women. She also received the top 7 best performing Pradhan Suraksha Sakhi award for leading the programme in her village. Now, she is fondly called "Suraksha Teacher Didi" in her village, as she continues to empower the women to make better food choices for themselves and their families.

"Swasthya Bengal Programme changed my life and provided me the opportunity to fulfil my life's dream. The respect and social recognition I received through this programme are invaluable to me and I will continue to educate women about food adulteration through the rest of my life."

- Mrs. Mandira Adhikari Goswami

YiPPee! Better World

Imagine a school where more than 100 students do not even have the basic desks and benches to sit and study! At Government High School in Begur, Bangalore, the school had no proper infrastructure and not only this, whatever desks and benches were existing, were also as old as from the year 1959. Over 80% of the seating arrangement in school was in disrepair, greatly impacting the daily learning environment for students. This appalling situation caught the attention of the ITC's YiPPee! Better World (YBW) team and the NGO Way for Life, who have been working towards creating awareness on plastic waste management and providing infrastructural support to schools. Through YiPPee! Better World programme, the team has to date (FY 22-24) reached out to 7.6 lakh students and deployed 3500 desks and benches made from recycled 59,500 kg plastic waste.

The programme also revealed a concerning lack of awareness about plastic waste disposal in the same school; only 18% demonstrated an understanding of microplastics and their environmental impact. The YBW team organised awareness sessions and encouraged students to reduce, reuse, and recycle plastic waste, sparking a newfound interest in environmental issues amongst students as well as faculty. Students' participation in the programme and the overall infrastructural enhancements at the school exemplify the profound impact that well-rounded educational interventions can have on a student's academic journey along with creating a deeper impact on society and the environment at large.

Nigar Begum, a semi-skilled artisan from Jaipur, Rajasthan, has been practicing the art of lacquer dyeing, a craft that has been passed down through generations. With lacquer being a GI-tagged product, it holds a special place in India's cultural heritage. However, the market dynamics had been shifting, and consumers were gravitating towards cheaper alternatives like cold lacquer, which is less organic. Before her association with 'Aashirvaad Raho Chaar Kadam Aage', Nigar ben was also using cold lacquer technique for jewellery making.

After being introduced to the project, she decided to take part in the advanced lacquer training, offered by the NGO SEWA Bharat, to learn the skills of hot lacquer, which is organic and less harmful. She believed that, by understanding the intricacies of lacquer jewellery production with different techniques, she could create unique and high-quality products that would appeal to modern consumers seeking organic products.

She underwent a certified 15-day training session, during which she learned advanced techniques in designing and crafting lacquer jewellery. She gained insights into the market demands and how to meet them through innovative designs and product development. Armed with this knowledge, Nigar ben was confident in her ability to create a successful business that would not only sustain her family but also provide employment opportunities to other SEWA members. She has also transferred the newly acquired learnings to the next generation.

The products created during the project were also showcased at various exhibitions in Rajasthan, Mumbai, and Chennai. Nigar ben's story is a testament to the resilience and determination of artisans in the face of changing times. Her determination to join the project for new learning highlights the importance of skill development and adaptation in sustaining livelihoods and promoting cultural heritage. Post training, new market opportunities have opened for Nigar Begum, and with the support of her husband, she has planned to start her enterprise specialising in lacquer jewellery.

Aashirvaad:
Raho Chaar Kadam Aagey

Approach to Sustainability 2.0

Environmental Stewardship

Social Stewardship - Sustainable & Inclusive Growth

Annexures

Pillar 4

Employee and Consumer Awareness

To enhance nutrition knowledge and healthier lifestyle practices amongst its entire workforce and consumers, the ITC Foods Division undertakes multiple initiatives to enable them to make informed choices.

Supporting HR's programmes towards the workforce, and wellness there are certain commitments in place regarding nutrition, health and wellness, affordable, and healthier food options at work, free health checks, and access to healthcare experts and nutritionists.

In alignment with these commitments, various activities are undertaken to enhance the overall health and wellbeing of its workforce, across locations.

📖 **Know more** ↗

ITC Nutrition Portal

ITC Nutrition portal is a responsive and easily navigable site that is aligned with ITC's commitment to supporting 100% of employees on their journey towards leading an active and healthy lifestyle and helps consumers make informed choices and deepen their knowledge on nutrition and well-being. The site hosts credible information on nutrition basics, health and lifestyle management, general well-being, and epidemiological data on nutrition indicators.

Employees also have access to an interactive nutrition module hosted on this site which encourages all employees to be NutriChamps.

The site is periodically reviewed for new additions and updated information such as health & nutrition calculators have also been integrated.

📖 **Know more** ↗

Celebrating National Nutrition Month

In support of the Government's flagship programme 'Poshan Abhiyaan', ITC Foods celebrates Rashtriya Poshan Maah i.e., National Nutrition Month every year in September to create awareness about key nutrition and public health topics.

This year, information regarding key themes of Poshan Maah 2023 and essential nutrition topics like women's health, anaemia, and healthy ageing has been circulated to all employees. ITC will continue to engage in such national events and guide its employees towards a nourishing and active lifestyle.

Nutrition and Wellness Seminars / Webinars for all employees, workers, and extended workforce

Nutrition sessions are conducted at the workplace for all employees to nudge them toward making informed choices for themselves and their families. Sessions include information on the basics of nutrition, lifestyle-based nutrition, management of lifestyle disorders, etc. Technical sessions are conducted for the extended workforce on key topics such as Food Loss & Waste.

Happy Tummy Campaign

Digestive health is a key aspect of overall well-being. Happy Tummy is dedicated to providing consumers with credible, science-based information on the importance of dietary fibre and its association with digestive health. The consumer-driven site of Aashirvaad Multigrain Happy Tummy campaign, hosts a Digestive Quotient (DQ) questionnaire, Fibre Metre, Fibre-rich meal plan, Ask the Expert tab, etc. These are simple, quick, and scientifically validated assessment tools to evaluate the digestive health score identify the gaps in the consumption of dietary fibre and get expert-led responses to health and nutrition queries.

Approach to Sustainability 2.0

Environmental Stewardship

Social Stewardship - Sustainable & Inclusive Growth

Annexures

Road Ahead

As part of its Sustainability 2.0 Vision, ITC is committed to:

Building a robust product portfolio with product innovations which are accessible and sustainable, that cater to consumer health and nutrition needs aligned with emerging consumer trends

Expanding reach to vulnerable groups through brand purpose and public health-led initiatives in line with the national health priorities

Providing consumers with transparent, credible and science-led information to help them make informed choices for a healthier balanced life

Workforce for Tomorrow

ITC's Approach

ITC believes that sustained long-term value is created through organisational vitality manifested through the power of innovation, connectedness with consumers and customers and execution excellence. Such vitality is best nurtured in an enabling environment of empowerment and accountability to harness the full potential of ITC's human capital.

In a volatile, uncertain and intensely competitive environment, it is ITC's human resources that provide the thrust in ensuring that ITC continues to deliver world-class performance and enhances its reputational capital. ITC, therefore, directs its efforts and human capital investments towards sustaining its position as one of India's most valuable employers, strengthening engagement of the workforce, fostering a competitively superior, performance-driven culture and building a Future-Tech enterprise with investments in purposeful consumer-centric innovation, technology, a digitally enriched smart ecosystem and sustainability.

40,409
Full-time employees

6,235
Total New hires in FY 2023-24

Focus Areas

Nurturing Leaders of Tomorrow
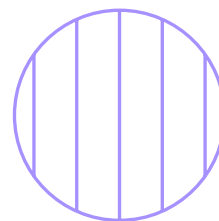
Embracing Diversity, Equity, and Inclusion

Fostering Employee Engagement: The ITC Way

Upholding Human Rights

All of this coalesces into a collective vitality as evidenced by excellence in strategy formulation and execution. ITC's Human Resource systems and processes governing talent selection, performance management, capability building, employee relations, recognition, rewards, and employee well-being, all play a critical role in enhancing this vitality and delivering the unique talent promise of 'Building Winning Businesses, Building Business Leaders and Creating Value for India'. ITC's approach of distributed leadership, which combines empowerment with accountability enables it to pursue multiple drivers of growth, in a manner that remains true to the Company's values, while encouraging an entrepreneurial spirit, promoting execution excellence and attracting the finest quality of talent.

In FY 2023-24, ITC employed 40,409 full-time employees, of which 1,963 in the Leaf Tobacco Business were engaged on a seasonal basis owing to the nature of the business. During this period, approximately 27,000 service provider employees were also engaged with ITC, following applicable statutes. Total New hires for the period was 6,235 employees.

Nurturing Talent for Tomorrow

ITC's vision of building winning businesses and nurturing Business Leaders reflects its commitment to creating new engines of growth while strengthening existing businesses, building a deep talent bench of high-quality leaders, and remaining rooted in creating value for all stakeholders. The talent development practices help create, foster, and strengthen the capability of human capital to deliver critical outcomes on the vectors of strategic impact, operational efficiency, and capital productivity while reimagining consumer experience, business model transformation, and employee experience.

Talent sourced from premier Institutes is positioned in high-impact roles that offer opportunities to build functional mastery and team management capabilities. Such roles facilitate deep functional expertise early in one's career through immersion in complex problem-solving assignments requiring the application of domain expertise. Such talent is provided the opportunity to work closely with and be mentored by, senior leadership on strategic projects and assignments through various programmes such as 'Launch Pad', the 'Young Manager Committee' and the Young Digital Innovation Lab. The 'Studio One Xchange' forum, Interaction with the Chairman and platforms such as 'Let's Talk and Make A Difference', 'Sunbean Conversations' and Townhalls enable personalised interaction of young managers with senior leadership providing them an opportunity to share suggestions and appreciate the Company's strategic intent, facilitating their development journey. Supporting this approach is ITC's remuneration strategy which is performance-led, market-competitive, and long-term oriented, rewarding exemplary contributions and promoting careers.

Fostering Employee Engagement: The ITC Way

Performance and Retention

To strengthen a culture of accountability and performance, the principles of 'management by objectives' are reflected in ITC's performance management system. Clearly defined objectives, result areas aligned to Business Plans, and assessments based on measurable outcomes provide a sound foundation to drive and sustain high performance. Market-competitive and performance-linked remuneration reinforces a culture of meritocracy and harmonises the rewards strategy with the delivery of results.

Access to the best capability-building interventions through customised programmes conducted by reputed international and domestic faculty, enriching roles, and the social, physical, and community infrastructure made available to employees contribute to building a culture of high performance, coupled with a relational contract and enduring commitment.

In FY 2023-24, the overall attrition (voluntary separation, retirement, termination, and abandonment of services by permanent employees) across management and non-management employees was 13.4%. Gender-wise attrition stood at 12% for male employees and 19% for female employees.

During FY 2023-24, 862 (218 females & 644 males) employees were due to return from parental leave, and all of them re-joined work after their leave ended, with a return-to-work rate on parental leave of 100%. The retention rate for employees who availed of parental leave is 88%, 87% for male employees, and 93% for female employees (standalone).

Learning and Development

ITC has assiduously built a culture of continuous learning, innovation, and collaboration by providing leading-edge learning and development support to employees, which is vital to strengthening competitive advantage and helping employees realise their full potential. The emphasis is on providing experiential learning through on-the-job assignments, an enabling and supportive environment, and promoting learning agility. The Company has a structured Developmental Planning System that dovetails with the guiding principle of ensuring equal opportunity for all employees to access skills and capability-building interventions at the workplace.

ITC has identified four capability vectors relevant to making its businesses future-ready: Business Critical Strategic Competencies, Leadership Development, Organisation Identity and Pride, and Diversity, Equity, and Inclusion.

Employees are offered best-in-class learning and development support comprising a blend of learning formats: classroom, gaming, online, coaching, mentoring, and on-the-job training. Programme content often spans multiple formats supported by business-critical application projects.

Some key capability development programmes undertaken during the year include the ITC Young Leaders' Programme, Business Leadership Programme, Orchestrating Winning Performance, varied programmes on Marketing concepts, application focused programmes on Data Science and Analytics, Manufacturing in a Digital World, Business Planning, and ASCEND, a marquee development programme tailored for ITC's senior women managers and other large-scale sensitisation programmes on Diversity, Equity, and Inclusion.

To promote on-demand learning, the ITC Centre of Learning platform as well as established MOOC platforms are being leveraged to provide employees access to various e-learning programmes on critical skills to help upskill themselves and build contemporary capabilities.

> **In FY 2023-24, there were 21,65,021 person-days of formal training provided to permanent and other than permanent employees, collectively, across the Company.**

In pursuit of strengthening its competitive vitality, the Company has made significant investments in recent years in building digital capacity, recognising its transformative potential across the value chains of its various businesses.

The Digital Council continues to provide strategic direction by ideating, seeding, and sponsoring high-impact digital interventions and harnessing the power of synergy for the cross-fertilisation of ideas. The 'Young Digital Innovators Lab' provides opportunities for managers with a passion for applying the power of technology to build competitive advantage and solve business challenges.

Pilot projects exploring technologies such as large Language Models, Digital Twins, Image Analytics, and Generative AI are being implemented in identified use cases. These projects aim at significant efficiency enhancement across business processes such as Consumer Insight, Smart Manufacturing, Hyper personalised Consumer Communication, Artwork Generation, and Competition Scanning. These interventions are enhancing agility and effectiveness in our engagement with consumers and various stakeholders and effectively managing our supply chain.

Employee Well-being

ITC's full-time employees receive benefits such as periodic preventive health check-ups, medical assistance (including hospitalisation), group accident insurance, annual leave along with leave encashment, flexible working policies, maternity leave and extended childcare leave for women employees, paternity leaves for employees as per business-specific policies, retirement benefits, employee assistance programmes, and employee counselling programmes, among others.

To prevent occupational diseases and accidents, the Company creates awareness through various initiatives and ensures good ergonomics and safe practices at all its workspaces. Most of ITC's Units have a health centre and resident doctor.

The Company provided comprehensive care and support to employees and their families, instituted various risk mitigation measures such as vaccinations for employees, their families, and value chain partners, promoted mask usage, and adopted hybrid working wherever feasible.

"Wellbeing on the Web," an online Employee Assistance Programme to promote the holistic wellbeing of employees and their families, has been offered as a part of the employee wellness initiative. The Company offers employees and family members monthly health talks by medical experts called 'The Living Well' series. Initiatives such as #Fitstart2024, Step-a-Thon, Sports Day, Parenting programmes, and Career counselling sessions for employees' children are also offered to ensure employee wellbeing and workload flexibility. Dietary guidance is also provided to employees through various wellness platforms.

ITC employees invest time and are engaged with ITC's Social Investments Programmes in the catchment areas of their business Units. These avenues help individuals achieve their life goals.

Employee Voice and Engagement

ITC continued with the practice of periodically assessing employee engagement through a Company-wide survey in 2024. Since 2016, ITC has made a concerted effort to assess and improve engagement. The impact was visible in the consistent improvement of Engagement, Performance Enablement, and Managerial Effectiveness measures over the years. The recent survey in 2024 points to continued high engagement levels and consolidation of the gains achieved in the past.

Highlights of the Survey are as under:

Employee Engagement Index

Year	Index
2016	72
2018	73
2020	79
2022	78
2024	82
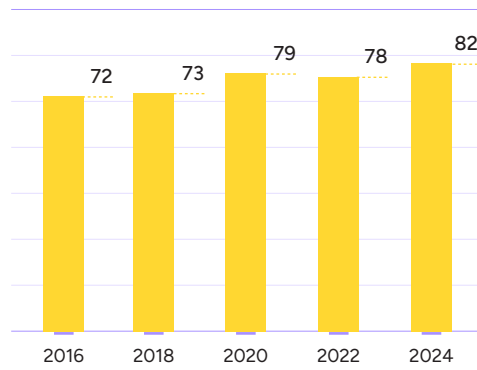
The Company's Employee Engagement scores have significantly improved over the last 8 years.

During the year, a range of engagement-building programmes were designed and implemented, which included the strengthening of initiatives such as leadership outreach through extensive communication, recognition programmes acknowledging the exceptional contributions of employees and teams, career conversations, and development planning for robust positioning and progression decisions and investments in employee wellbeing. Employee recognition programmes, extensive leadership outreach through Town Halls, skip-level meetings, periodic interactions of managers with senior leaders, reinforcement of career dialogues, and a performance management system around well-defined objectives aligned to Business Plans have all contributed to improving the levels of engagement across the Company.

Recognition platforms such as 'GEM', 'IGNITE', 'Excellence in Marketing Awards', Achievers' Award 'Momentous', PRIDE Awards, 'Miles2Smile,' and 'TM&D Unbeatables' acknowledged the exemplary contributions of employees in idea generation and execution.

Intensive employee communication, explaining ITC's strategies and approach to key issues, was carried out through various employee outreach programmes such as 'Town Halls' by the Chairman, CMC Members, and Chief Executives within Businesses, skip-level meetings, and interactions in small groups.

Career conversations are now an integral part of the performance management system and provide clarity and help employees shape their careers. 'Reflections 360', a development intervention seeking feedback on managerial work styles from a manager's internal eco-system, was sustained and covered leaders across the Company base.

The year also witnessed Tobacco Business winning the Economic Times Human Capital Award (Gold) for 'Excellence in Communication Strategy' and ITC Hotels winning the 'Skill India Industry Partner Award 2024' and 'Golden Peacock National Training Award 2024'.

What some of ITC's trailblazers have to say about their experience

"The freedom and work culture that ITC gives is hard to find elsewhere. The people energy & inclusive spirit helps me continue to strive for excellence, and contribute to a growth mindset."
Shilpi Sahay, General Manager – Human Resources, Paper & Specialty Papers Division

"ITC is widely recognised for its commitment to cultivating a dynamic environment that promotes both individual and organisational growth, with an emphasis on continuous learning and development opportunities for its employees".
Babita Sharma, Head of Department, Security & Admin, Paper & Specialty Papers Division

"At ITC, I have always witnessed an inclusive culture where different perspectives are encouraged and embraced. People are respected and empowered to contribute their unique perspective which sets the stage for collaboration, innovation, creativity and ultimately sets the stage for success."
Rajeev Jha, Factory Head, Foods Business Division

"ITC has been championing the cause of Diversity, Equity and Inclusion and I am extremely proud of the fact that I have the opportunity to work with a diverse set of talent. The recognition for these efforts from our discerning guests adds to my pride of working for such an inclusive organisation."
Amaan Kidwai, Area Manager, Luxury Hotels (North) & General Manager, ITC Maurya

"ITC has not only given me the opportunities to step into different roles but also made me dream bigger. I feel lucky that my role has allowed me to work and lead an impactful project in Supply Chain. This has widened the range of my strengths and capabilities. Always gratified and grateful to be called as an ITCian."
Sanga Spurti, Associate Manager, Tobacco Supply Chain, Agri-Business Division

"Working at ITC has been truly transformative, with its inclusive and forward-thinking culture fostering learning and growth. ITC's philosophy of sab saath badein resonates well with my work towards farmers economic upliftment and gives immense pride for contributing to larger national priorities".
*Anita Sharma, Lead Crop Advisory, ITCMAARS, Agri-Business Division*

"ITC has helped me evolve as a multi-faceted professional by providing me diverse opportunities. From providing a safe ecosystem to express one's views to encouraging positive changes in work culture, ITC stands up to its repute as an organisation that gives immense respect to its employees."
Divya Nair, Research Scientist, Life Sciences and Technology Centre

"I am proud to be part of a team of scientists who are driving customer focus through science-led innovations. Ample opportunities, support, and world-class research facility provided by ITC enabled me to translate lab-based innovations into customer-centric products. Proud to be a member of ITC family."
Dr. Aditya N.P., Lead Scientist, Life Sciences and Technology Centre
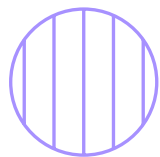
Diversity, Equity & Inclusion

The Company is committed to enhancing gender diversity and participation of the differently abled in the workforce, and where needed, will undertake supportive actions in the spirit of equity at the workplace. Such concerted actions span three vectors, namely:

Representation

Inclusion and Enablement

Commitment and Assurance

ITC believes that diversity in the workplace creates an environment conducive to engagement, alignment, innovation, and high performance. This is achieved by a policy that ensures diversity and non-discrimination across the Company.

The Company's policies ensure a work environment that is free from any form of discrimination amongst its employees in compensation, training, and employee benefits, based on caste, religion, disability, gender, sexual orientation, race, colour, ancestry, marital status, or affiliation with a political, religious or union organisation or majority / minority group. ITC is an equal opportunity employer, and recruitment at ITC is solely based on merit and ability. ITC's efforts to enhance Diversity, Equity, and Inclusion are founded on the conviction that a diverse workforce contributes to rich discourse, promotes holistic perspectives, fosters creative solutions, and

is integral to serving our customers better while creating value for all stakeholders. ITC is committed to enhancing gender diversity and participation of the differently abled in the workforce, and where needed, will undertake supportive actions in the spirit of equity at the workplace. Through policies offering flexible work arrangements, extended childcare leave, travel support for infants and caregivers, secure transport, paternity leave, same-gender partner medical benefits, infrastructure support coupled with various large-scale sensitisation programmes, Employee Resource Groups, and the commitment and sponsorship of leaders, ITC provides an enabling environment to further its Diversity, Equity, and Inclusion goals. ITC is also enabling career opportunities for women employees across the board by offering programmes to support women during maternity and after returning from career breaks.

Amongst several positive outcomes, the Company recruits talents from premier campuses reflecting diversity ratios superior to the prevailing norm in such institutions.

Comprehensive development programmes for women managers and women-focussed Wellness programmes bear testimony to the Company's efforts on the enablement vector of its Diversity, Equity, and Inclusion Strategy. A recently launched initiative at ITC Hotels is aimed at enhancing LGBTQI+ in the workforce.

To enhance women's representation across responsibility levels, several measures have been initiated:

→ Current women leaders act as mentors and exemplars to others. Women leaders in key responsibilities such as regional operations in hospitality, manufacturing operations, and Category P&L head serve as inspiration to managers in early responsibility levels. Further, women leaders across pivotal roles in Sustainability, Brand Management, Manufacturing, Hospitality, Corporate Communications, Legal, and Human Resources bear testimony to the Company's commitment developing and nurturing women in leadership roles.

→ Tailored development programmes with particular emphasis on helping women managers navigate their careers in the context of the varied responsibilities on their professional and personal front. Our flagship programme on developing women's talent creates transformative experiences through immersive workshops, one-on-one coaching, and guided practice sessions.

→ Strengthening residency and retention through policies such as flexi-working,

childcare travel support, and childcare leave. These enabling policies have eased work-life integration and have been warmly appreciated.

Similarly, ITC's Hotels Division is amongst the leading employers in the industry about women's representation as well as a significant employer of the differently abled. The Life Science and Technology Centre is another exemplar of gender diversity with 45% of its workforce being women.

Related Policies / Steps to Support Diversity, Equity, and Inclusion

Prevention, Prohibition, and Redressal of Sexual Harassment: The Company has put in place suitable processes and mechanisms to ensure issues such as sexual harassment, if any, are addressed effectively.

Employees undergo sensitisation on diversity and inclusive behaviour at the workplace and internal redressal committees are in place across Businesses. During FY 2023-24, six cases of sexual harassment were raised and resolved.

ITC's food manufacturing units have been engaging an increasing number of women on the shop floor. With more than 1900 women, ITC's ICML at Pudukkottai in Tamil Nadu engages a workforce with 70% women representation. Similarly, ITC's ICML at Mysuru in Karnataka is the first FMCG factory in the region to deploy women workforce across all shifts. Women constitute close to 46% of the workforce in the Mysuru ICML. The ICML at Guwahati has women representation at 36%. Similarly, the recently commissioned ICML in Medak, Telangana, and Khordha, Odisha have women representation of 58% and 52% respectively. ICML Kapurthala has become the first manufacturing unit in Punjab to deploy female employees across all shifts with a 24% women representation.

These factories have a state-of-the-art manufacturing facility with ergonomically designed equipment to enable women's participation on the shop floor. As a confidence-building exercise, on the day of joining, women employees, as well as their family members, are provided an extensive orientation to the workplace. The factory

leadership team engages with them about the Company's policies and practices regarding health and safety, quality processes, and employee benefits. To strengthen morale and confidence, visits are organised to other women-majority ICMLs for training. Institutional support is reinforced through employee welfare amenities such as a creche, round-the-clock access to the health centre, and safe transportation with vehicles equipped with cameras, GPS, and panic buttons.

Several communication forums and participation platforms such as employee committees, town halls, and access to special welfare assistants have been established to address employee concerns and address grievances, if any. ICMLs have also been organising well-being initiatives and occupational awareness sessions regarding women's health issues, gender sensitisation, and POSH (Prevention of Sexual Harassment at the Workplace) workshops. To educate and inspire young minds, students from schools and colleges are invited to visit ICMLs, with employees acting as ambassadors to build a workforce pipeline for future requirements.

Encouraging Women in Manufacturing

Approach to Sustainability 2.0

Environmental Stewardship

Social Stewardship – Sustainable & Inclusive Growth

Annexures

Inclusion of the Specially Abled

Apart from gender, employment of the differently abled is a priority area in ITC's diversity agenda. In several of our Businesses, employees and associates who are differently abled are engaged across the value chain, with the necessary infrastructure support and training. ITC, directly as well as through partnerships with service providers and agencies, deploys 390 differently abled persons.

Grievance Redressal

To address employee concerns and complaints on human rights and labour practices, a Grievance Redressal Procedure with appropriate systems and mechanisms exists across ITC. It aims to facilitate open and structured discussions on any grievances, labour practices, and human rights.

The implementation is ensured by Divisional / SBU Chief Executives, through members of the respective Management Committees. 22 grievances were received from employees on matters relating to policy, welfare, and administration. Of these, 21 were resolved in FY 2023-24.


Performance Indicators

| Domain	FY 2023-24
Total Full-time employees	40,409
Total Female Full-time employees	6,275
Total Male Full-time employees	34,134
Total Seasonal workers	1,963
Permanent Full-time Employees (Male)	30,076
Permanent Full-time Employees (Female)	5,275
Rate of New Hires	17.6%
Total New Hires	6,235
Total New Hires (Male)	4,717
Total New Hires (Female)	1,518
Average training hours (Permanent Employees)	27
Average training hours (Other than Permanent Employees)	38

Permanent employees (age-wise breakdown) *

28%
61%
12%
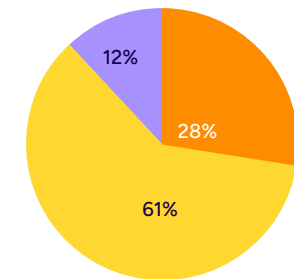
New Hires (permanent employees) (age-wise breakdown) *

1%
57%
42%
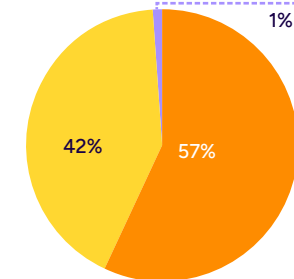
Employee turnover (age-wise breakdown) *

41%
48%
10%
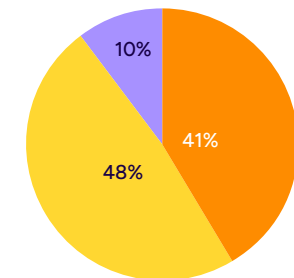
● <30 years   ● 30-50 years   ● >50 years

Permanent employees

Human Rights

ITC has a long-standing commitment to Human Rights, which is reflected in its Code of Conduct for its employees, Suppliers', and Service Providers' Code of Conduct. The Company has policies on Human Rights that apply to its employees, suppliers, and service providers. The said Policies and their implementation are directed towards adherence to applicable laws and upholding the spirit of human rights as enshrined in existing international standards such as the Universal Declaration and the Fundamental Human Rights Conventions of the International Labour Organisation (ILO).

The Company is committed to **Respecting and Remediating** Human Rights for employees and workers within its operational premises and beyond its fence. There are oversight mechanisms and preventive measures for its suppliers and vendor partners, too. ITC also has in place dedicated policies and channels for handling the grievances of its key stakeholders.

Respecting and Remediating Human Rights

Within ITC Operations

The Company continues to work towards strengthening and introducing systems to ensure sound implementation of ITC's policies on Human Rights and a decent workplace. All ITC contracts for the construction of hotels, factories, and property upgrades incorporate the environmental, health, safety, and Human Rights clauses, including workplace environment and compliance with labour practices, and are supervised by ITC managers for 100% adherence.

ITC Suppliers' and Value chain Partners

ITC's Code of Conduct for Vendors and Service Providers enshrines the Company's unwavering focus on fair treatment, human rights, good labour practices, environmental conservation, health, and safety. This Code is shared and accepted by all supply chain partners and service providers. In FY 2023-24, ITC engaged 1,416 service providers (within and outside premises), and all contracts with the service providers included clauses that conformed to ITC's Human Rights Policies and EHS guidelines.

Page 109 *Sustainable Supply Chain and Responsible Sourcing*

ITC's Policies on Fair Labour Practices

Prohibition of Child Labour and Forced Labour

In line with ITC's unflinching commitment to good labour practices, it is ensured that no person below the age of eighteen years is employed by any Business. Forced or compulsory labour is strictly prohibited in all ITC Units, as is the association with vendors and suppliers who employ child and / or forced labour.

Freedom of Association

ITC recognises and respects the right of its employees to exercise or refrain from exercising the freedom of association and collective bargaining. During the last year, over 10,900 employees were covered under the collective bargaining process across India. Employees who are not covered under collective bargaining are covered as per Company policy and in alignment with local applicable laws.

Related Policies

→ ITC's Code of Conduct
→ Policy on Freedom of Association
→ Policy on Prohibition of Child Labour and Prevention of Forced Labour at the Workplace
→ Policy on Diversity, Equity, and Inclusion
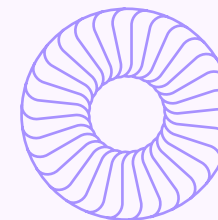
Road Ahead

ITC will continue its efforts to build the capacity of all concerned internal and external stakeholders on Human Rights. ITC's due diligence processes for vendors and supplier partners on Human Rights issues will be further strengthened to mitigate any potential human rights issues. ITC aims to further build upon its expertise in field engagement with farmers and follow international standards for fair practices in the agri-value chain. Moreover, ITC is also strengthening its grievance redressal systems for all value-chain partners.

Occupational Health and Safety

Promoting a Culture of Safety

ITC continues to believe that a safe and healthy work environment is a prerequisite for employee well-being, and the adoption of best practices in occupational health and safety has a direct impact on its overall performance. It helps in attracting and retaining quality talent, besides being the duty of the Company as a responsible corporate citizen.

ITC endeavours to ensure that Environmental, Health, and Safety (EHS) standards at all its units are ahead of legislation, regulations, and codes of practice and are benchmarked against international best practices. ITC's approach to occupational health and safety standards is articulated in the Board-approved EHS Policy. It is based on an EHS management system that emphasises enhancing EHS performance by setting objectives and targets and continually monitoring key performance indicators. Further, it promotes a culture of safety through behaviour change programmes and by providing appropriate training to employees as well as service providers' employees, while continually investing in state-of-the-art technology and in developing human capital.

ITC has identified the EHS risk management framework as one of the integral steps towards building a robust safety management system. This framework consists of a set of processes for continual risk identification, assessment, and mitigation with the active participation of the workforce. Digitisation of EHS Management processes has now given additional thrust to their effective implementation.

Several national awards and certifications acknowledge ITC's commitment and efforts towards providing a safe and healthy workplace to all.

ITC's Approach towards Achieving Zero Accident Goal

To incorporate safety deeper into ITC's operational practices and achieve the 'Zero Accident' goal, the Company's Safety strategy rests on two pillars: **'Safety by Design'** and **'Safety by Culture'.**

Safety by Design

From 'Drawing Board' to 'Operations'
ITC follows 'Safety by Design' by integrating best-in-class engineering standards in the design and project execution stages of all investments in the built environment. This helps in reducing potential hazards as well as optimising operational costs.

Aspects such as fire safety, electrical safety, material handling, machine safety, people, material flows, etc. are evaluated in detail at the design stage, and the requirements as per best-in-class standards and practices are incorporated. Compliance with these standards is then verified by conducting audits during the project implementation and before the project is formally commissioned.

Safety by Culture

From 'Compliance Focus' to 'Behaviour-Centric' Safety Culture
ITC's journey in safety has evolved from 'compliance driven by standards and guidelines' to a 'behaviour-centric safety culture.'. 'Safety by Culture' looks at driving behavioural changes so that safety is ingrained in the culture of the organisation across operating units. Accordingly, behaviour-based safety initiatives are being implemented across several operating units. To drive the safety culture, ITC is making use of tools such as a structured conversation with workers on 'Safe and Unsafe Acts', supplemented by the adoption of keystone behaviours by individual Units to demonstrate collective commitment and create a shared vision of safety and discipline within the Unit. Design thinking methodologies have also been used to reinforce behavioural-based safety initiatives, which have resulted in significant positive changes.

In addition, all ITC Units undergo periodic Environmental, Health, and Safety audits at the business level as well as at the Corporate level to verify compliance with standards.

Organisational EHS Framework

The key activities carried out to ensure the integration of robust EHS standards across the project life-cycle are depicted below.

Drawing Board Stage **1**

EHS requirements are integrated at the design stage for all new investments to minimise hazards with potential risk of Injuries

Design Reviews
→ Building and structural stability
→ Fire and life safety measures
→ Electrical systems
→ Machine safety
→ Workplace lighting
→ Ventilation and hygiene requirements
→ Noise and dust controls
→ Water and energy use optimisation
→ Waste management
→ Traffic safety
→ Segregation of man-material movement

Advantages of incorporating EHS in the design phase
→ Helps in eliminating and reducing hazards
→ Optimises operational cost and overall infrastructure
→ Create assets that are aligned with organisational goals

Execution Stage **2**

Compliance with EHS standards during the construction phase is ensured by implementing project EHS management systems

Project EHS management systems
→ Training of all employees including service providers' employees
→ Enforcement of the use of safe equipment / tools / tackles
→ Development of and adherence to safe work procedures (SWPs) / method statements
→ Observing good housekeeping and storage practices
→ Usage of Personal Protective Equipment (PPE)

Pre-commissioning audits of all large projects done by the Corporate EHS (CEHS) department
→ To ensure that infrastructure including plant and machinery have been procured and installed in conformance with defined standards

Operations Stage **3**

Compliance with Corporate guidelines during the operation phase of all ITC Units, Hotels, Warehouses, and Offices is ensured through established EHS management systems with designated roles and responsibilities for competent resources

EHS management systems
→ A well-defined EHS Management structure
→ Quarterly Meeting of the EHS Committee in every ITC Unit to review EHS performance
→ Engagement with the workforce to jointly assess risks in the operations and accordingly improvise the Safe Work Practices (SWPs)
→ Coverage of health and safety aspects in long-term agreements with trade unions
→ Awareness sessions for employees, their families, and surrounding communities on HIV / AIDs, hepatitis, dengue, malaria, and other wellness-related issues

Monitoring compliance through:
→ Internal audits of ITC Units at Divisional as well as Corporate levels periodically
→ Accident reporting and investigation to identify the root causes and subsequent implementation of corrective and preventive measures
→ Accident investigation findings with corrective and preventive measures form part of the report presented to the Corporate Management Committee (monthly) and the Board (quarterly)
→ Ensure effective dissemination of learnings from each incident / accident across the organisation to prevent a recurrence

Safety Performance 2023-24

ITC reports its safety performance on two fronts: 'on-site' - refers to the place of work, i.e., factory, hotel, office, etc., which is under the direct operational control of ITC, and 'off-site' is defined as places other than on-site while on official duty, which includes to and fro commutes between residence and place of work.

On-site Safety

In 2023-24, the total on-site Lost Time Accidents (LTA) decreased to 10, as compared to 14 in 2022-23. Out of these 10 accidents, 3 pertain to ITC employees, and the balance 7 relates to service providers' employees. These accidents involved nine male employees and one female employee.

Further, detailed investigations are carried out for all accidents, including LTA*, to identify the root causes and understand the measures that require implementation to prevent a recurrence. The learnings from all accidents are disseminated across the organisation, and formal compliance is obtained.

Lost Day Rate

Lost Day Rate (LDR) is a measure to evaluate safety performance, and it does so by comparing the number of person-days lost for every 2,00,000 person-hours worked.

Lost Day Rate

Year	Value
2019-20	2.02
2020-21	8.39
2021-22	29.37
2022-23	15.62
2023-24	0.88
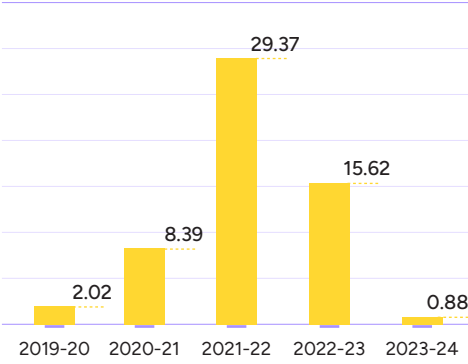
Lost Day Rate is for the combined workforce i.e., ITC employees and service providers' employees.

Loss of person-days accounted for as per IS 3786:1983 due to fatalities / amputation.

Note: The decreased lost day rate in 2023-24 as compared to 2022-23 is due to the reduction in fatal accidents from 1 to 0.

Injury Rate

Injury rate (IR) is defined as the frequency of LTAs, for every 2,00,000 person-hours worked.

Injury Rate

Year	Value
2019-20	0.018
2020-21	0.024
2021-22	0.022
2022-23	0.019
2023-24	0.013
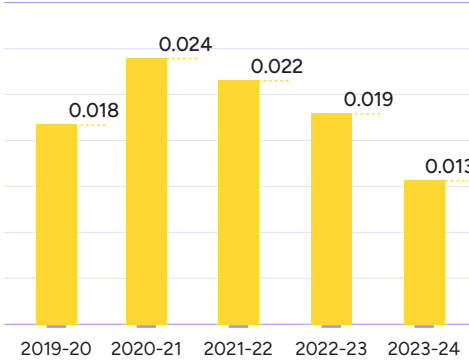
Injury rate shown is for the combined workforce i.e., ITC employees and service providers' employees.

* Lost Time Accident (LTA) is defined as an accident due to which the injured is not able to come back to work in the next scheduled shift.

High Consequence Work Related Injury Rate (HCWRI)

This is the rate of High-Consequence Work-Related Injuries (excluding fatalities), for every 200,000 manhours worked.

	FY 2022-23	FY 2023-24
High Consequence Work Related Injuries (HCWRI)	1	0
HCWRI Rate	0.0014	0

Zero Accident Units

The following 79 units achieved 'Zero On-site Lost Time Accident' status in FY 2023-24. Also, amongst all operational units as of March 2024, 55 units held on to the "Zero On-site Lost Time Accident" performance since FY 2019-20.

Manufacturing Units	Hotels	Offices and Others
GLT Anaparti	Welcomhotel Bay Islands, Port Blair	ABD (Agri-commodities) DHQ
GLT Chirala	ITC Gardenia	ABD (Leaf Tobacco) DHQ Guntur
KGLT Mysore	ITC Grand Bharat	R&D Rajamundry
G3 Spices	ITC Grand Central	CPO
FBD Haridwar	ITC Grand Chola	ITC Green Centre, Gurgaon
FBD Malur	ITC Grand Goa	ITC LSTC
FBD Pune	ITC Kakatiya	ESPB DHQ
FBD Medak	ITC Kohenur	FBD DHQ, Bangalore
ICML Guwahati (FBD)	ITC Maratha	Hotel Projects
ICML Kapurthala	ITC Maurya	I3L Bangalore
ICML Mysore	ITC Mughal	I3L Pune
ICML Panchla	ITC Rajputana	ITD DHQ
ICML Khorda	ITC Sonar	Classic Golf & Country Club
Munger Dairy	ITC Windsor	MAB DHQ
NENPL, Mangaldai	Sheraton New Delhi	PCPB DHQ
Sunrise Agra	Welcomhotel Bengaluru	PPB DHQ
Sunrise Reengus	Welcomhotel Chennai	PSPD, DHQ
Sunrise Sankrail	Welcomhotel Coimbatore	Technico HQ, Chandigarh
Sunrise Jaitpura	Welcomhotel Amritsar	Technico R&D Centre, Manpura
Sunrise Bikaner	ITC Royal Bengal	TM&D DHQ
ITD Bangalore	ITC Narmada	
ITD Kidderpore	Welcomhotel Bhubaneshwar	
ITD Munger	Welcomhotel Guntur	
ITD Pune		
ITD Saharanpur		
PCPB Guwahati		
PCPB Manpura		
PPB Haridwar		
PPB Munger		
PPB Tiruvottiyur		
PPB Nadiad		
PSPD Bollarum		
PSPD Kovai		
PSPD, Tribeni		
SNPL - Pokhra Unit		
SNPL - Simra Unit		
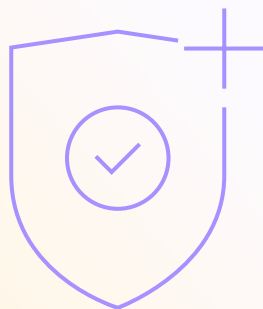
Off-Site Safety

In FY 2023-24, the total number of off-site LTAs decreased to 15 compared to 16 in FY 2022-23, and all of these, except one, were road accidents. Two fatal road accidents were reported in FY 2023-24.

As a standard practice, off-site accidents are duly investigated, and learnings from these accidents are also disseminated across the organisation. The Businesses are advised to sensitise employees to the perils of unsafe road conditions, and there is constant reinforcement of the message to exercise extreme care, caution against overspeeding, and be vigilant on the road.

Road Accidents' Trend

Though road infrastructure and traffic management outside the units' premises are well beyond ITC's control, the Company believes that improved awareness and adoption of 'defensive road safety techniques' help to reduce the risks. ITC has accordingly strengthened the ongoing training and awareness-enhancing sessions for its employees and service providers.

A majority of road accidents in the recent past have involved two-wheeler riders. Accordingly, a user-interactive two-wheeler rider safety training programme is provided to all employees, including ITC's Trade Marketing & Distribution (TM&D) supply chain members. The user-interactive modules have also been translated into vernacular languages to ensure wider coverage and adoption. A similar interactive training module for four-wheeler users is also made available to employees.

Occupational Health

A healthy workforce is an important contributor to ITC's competitiveness and sustainability. All units maintain a conducive work environment in line with Indian and International standards on hygiene, lighting, ventilation, and effective controls on noise and dust. Units are equipped with Occupational Health Centres with adequate medical staff to monitor occupational health and provide immediate relief as required. In addition, at least 2% of total employees are professionally trained as first aid providers.

As part of ITC's preventive medical programme, various categories of employees based on age and exposure to occupational hazards undergo periodic medical check-ups. In FY 2023-24, a total of 10,325 employees underwent preventive medical examinations.

10,325

employees underwent preventive examinations in FY 2023-24

Way Forward

Social Stewardship

ITC will remain committed to Achieving the 'Zero Accident' Goal

In line with the Company's EHS policy, ITC will continue to institutionalise safety as a value-led concept by inculcating a sense of ownership at all levels and driving behavioural change, leading to the creation of a cohesive safety culture.

ITC has put in place comprehensive health and safety protocols for the safety and well-being of its stakeholders. ITC will continue to strengthen its safety processes, adopting globally recognised best practices including the digital transformation of EHS management systems, ensuring that facilities are designed, constructed, operated, and maintained in an inherently safe manner.

ITC will continue to undertake efforts to create a safe working environment and a strong safety culture by:

1 Integrating safety at the design stage itself and ensuring it through design reviews, stage inspections, and pre-commissioning audits, thereby strengthening engineering control measures through 'design for safety' principles

2 Conducting pre-commissioning and periodic operational audits during construction and operational stages respectively

3 Progressively covering businesses under various behaviour-based safety initiatives to facilitate engagement for collaborative work on improving safety performances.

4 Adoption of keystone behaviours by individual units to demonstrate collective commitment and create a shared vision of safety and discipline

5 Leveraging the digital landscape for safety management systems

ITC will continue to assess its safety performance by tracking both leading and lagging indicators and identifying solutions for strengthening the safety culture accordingly. With this approach, ITC will endeavour to achieve the organisation-wide goal of "Zero Accidents."
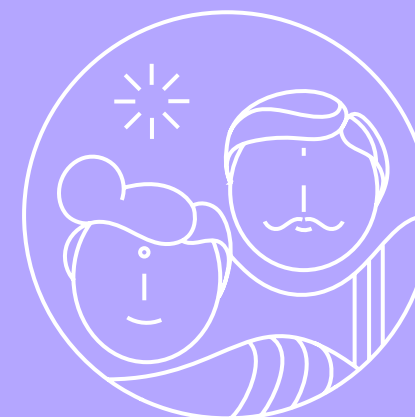
'Mission Sunehra Kal' (MSK) is the umbrella brand for the mosaic of mutually reinforcing interventions under ITC's Social Investments Programme (SIP) and is managed by a dedicated team spread across regions of India. Additionally, some CSR programmes are also implemented by Businesses in their areas of expertise.

MSK aims to transform lives, including those from the most marginalised amongst its stakeholder groups. On one hand, it addresses the livelihood challenges of today and tomorrow through a holistic approach to create healthy, educated, skilled, and engaged communities that look to the future with confidence and determination to live a life with dignity. On the other hand, it also enables the transformation of landscapes through interventions aimed at the conservation of natural resources and the adoption of climate-resilient agriculture practices.

The Company's CSR Policy, approved by the Board of the Company, guides the programmes, projects, and activities that the Company undertakes to create a significant positive impact for its identified stakeholders. These programmes fall within the purview of Schedule VII of the provisions of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014.

Inside this section

Mission Sunehra Kal

for Sustainable and Inclusive Growth

Key Stakeholders

For MSK, the key stakeholders are communities with whom the Company has a long association, while also having engagement with State and Central Governments. Technical Institutions and Non-government Organisations are, inter alia, important stakeholders.

Communities are the major key stakeholders and target group for ITC's CSR interventions, based on the material aspects of ITC's Businesses, and include:

Rural communities with whom ITC's agri-businesses have forged long and enduring partnerships

through crop development and procurement activities. While such economic linkages have generated wealth for rural households on a sustained basis for decades, they also look up to the Company to help them find viable solutions to combat climate change that threaten the sustainability of their production systems and hence their livelihoods. They also seek support for their well-being, especially for their children, and a healthy habitat.

Communities residing close to all ITC's manufacturing units

derive considerable benefits from the multiplier effects arising from the Company's operations. Nevertheless, there is an expectation that the Company will also build capabilities and facilitate the creation of the necessary socio-economic eco-system to enable significant improvements in their Human Development Indices (HDIs).

Geographical Spread and Coverage

ITC's CSR footprint is spread across **26 States and Union Territories (UT), covering more than 300 districts**, predominantly focussing on the key stakeholders.

Multi-dimensional programmes under ITC Mission Sunehra Kal have been able to reach **10 million beneficiaries, including 6 million women**, across different sections of society, including farmers, youth, children, and persons with disabilities.

Women led and managed nursery in Telangana

Approach to Sustainability 2.0

Environmental Stewardship

Social Stewardship - Sustainable & Inclusive Growth

Annexures

MSK's Approach

Stakeholder Needs and Priorities

ITC undertakes studies, surveys, and consultations at regular intervals and as per requirements to take stock of the emerging and changing needs of the target communities. These findings help in designing new programmes and modifying existing ones to address community needs and challenges and fill the gaps.

A comprehensive community needs assessment was earlier undertaken in 2015-16 in ITC's core areas, that is, factories and agri-catchments. Needs were identified and prioritised, and the **Core Area Perspective Plan** (CAPP 1.0) was developed. While the needs are revisited, based on regular stakeholder engagements, **CAPP 2.0 was taken up** in FY 2021-22, which also focussed on ITC's core catchments across 21 factories and 7 agri-locations.

The objectives of CAPP 2.0 were to:

1. Revisit coverage and community needs in the changed external context

2. Assess the reasons for not achieving the earlier planned outcomes (if any)

3. Re-strategise MSK themes and approaches based on the findings

As a follow-up to the second Core Area Perspective Plan (CAPP 2.0) done in FY 2021-22, household surveys are conducted every year on a smaller sample to re-assess and reaffirm the continued relevance of the needs identified, and accordingly, cognise of the same in the future. In FY 2023-24, over 6,000 households across four States were covered through such surveys.

Further, **national priorities of relevance** are also identified, and Government schemes and programmes **that help address the issues are mapped** (details given in Table 1 presented ahead).

Besides the periodical need assessments, baseline and mid-term evaluations, regular third-party impact assessments, and structured annual engagements to ascertain feedback and understand grievances, if any, are also undertaken to guide the Programmes.

Details of impact assessments to key programmes have been shared on

📱 www.itcportal.com ↗

and a summary of the same is in

📱 ITC's Annual Report 2024 ↗

+
Community meeting in Uttar Pradesh

The Two Horizon Approach for Holistic Development

From the revisit of the **community needs assessment survey** and **priority mapping**, it was clear that ITC's stakeholders are confronted with multiple, but interrelated, issues, at the core of which are the twin challenges of securing sustainable livelihoods, today and tomorrow. The findings reinforced the need for continuing the **Two Horizon approach** put in place a few years earlier, comprising an integrated response to development.

ITC's Two Horizon approach focusses on **inclusive growth and holistic development** of households, keeping **women and other poor and vulnerable communities** at the core, who are an integral part of all interventions.

Women are not only beneficiaries of many of the programmes, but are also **influencers and active participants in grassroots institutions.** Several progressive women beneficiaries also assume the responsibilities of **change-makers** in society.

The Two Horizon approach comprises an integrated and affirmative response to development, with **Horizon I** focussing on strengthening the current livelihoods of communities, primarily agriculture and allied sector livelihoods, and **Horizon II** focussing on building capabilities and capacities to empower communities for a better life tomorrow.

Objectives

Natural Resources Management

to conserve and replenish natural resources critical for agriculture

Initiatives and Interventions

Water Stewardship

for water-positive catchments through supply augmentation with a focus on wetland conservation, the revival of traditional water bodies, groundwater recharge, and demand management initiatives with a focus on agri-water use efficiency, coupled with river basin level interventions

Biodiversity conservation

through the restoration of commons, reducing pressures on forests, native species-based improvement at landscape level and mangrove conservation

Soil health

improvement through conservation agriculture practices like Zero Tillage, in-situ stubble incorporation, green manuring, and field application of compost, tank silt and toilet manure (circularity)

Objectives

Climate Smart Agriculture

for climate change adaptation, increased resilience and actions for sustainable improvement of yields and incomes.

Initiatives and Interventions

Farmer capability building through Farmer Field Schools and Choupal Pradarshan Khets,

digital outreach and exposure visits for awareness, collectivisation through promotion of farmer groups such as Agri-Business Centres (ABCs) and Farmer Producer Organisations (FPOs), and large-scale adoption of Sustainable and Climate Smart / Resilient Agri-Practices

Focussed approach for capability building and promotion of women agriculturists

as climate smart farmers and women ABCs and FPOs.

Objectives

Livelihood Diversification

to improve incomes and de-risk livelihoods from climate change

Initiatives and Interventions

On-farm diversification

through tree and fruit plantations in farm fields along with other crops (Agro-forestry)

Off-farm diversification

through livestock-based livelihood promotion (small and large ruminants) and improving their productivity

Objectives

Institutional Support

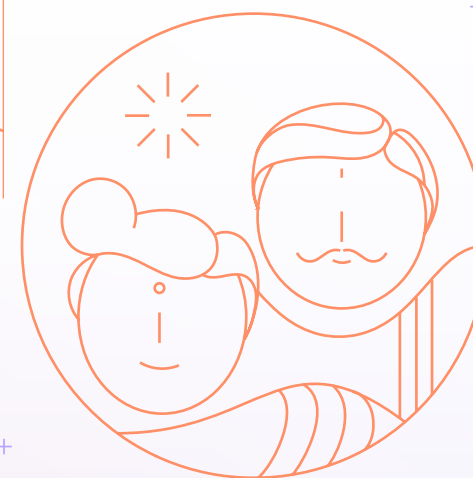for risk mitigation and reduction of costs of cultivation

Initiatives and Interventions

Link farmers with Government programmes and schemes

in the areas of credit, insurance, soil health information, additional income, marketing, and pension

Promote farmer institutions

like Farmer Producer Organisations (FPOs) and Agri-Business Centres (ABCs) to leverage the power of collectives for the sale of agri-produce, and strengthen access to credit, inputs, farm equipment, etc.

Horizon I

Strengthen current dominant source(s) of livelihood

Approach to Sustainability 2.0

Environmental Stewardship

Social Stewardship - Sustainable & Inclusive Growth

Annexures

Objectives

Support to Education

for improving the quality of education and creating a conducive learning environment

Initiatives and Interventions

Improve the quality of learning

in schools through teacher training and activity-based learning for students

Mainstream out-of-school children

by providing support through **Supplementary Learning Centres**

Provide infrastructure support

to schools and Anganwadi centres for a conducive learning environment

Mainstream dropout adolescent girls

of classes 9th-12th, and create **career intentionality** amongst those pursuing secondary education

Objectives

Skilling of youth

to enable gainful livelihood

Initiatives and Interventions

Promote and develop skills

aligned to market demand among unemployed youth
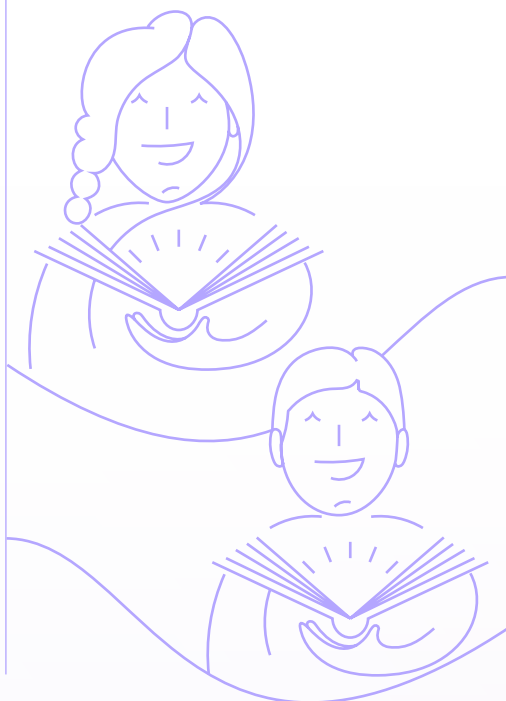
Objectives

Public and Community Health
Provide access to sanitation, waste management and healthcare services to improve habitats, reduce mortality, as well as ensure a healthy community

Initiatives and Interventions

Infrastructure support

for sanitation through **community toilets and individual household toilets**

Sustainability

of Open Defecation Free (ODF) Catchments

Promote Decentralised Waste Management

and public hygiene

Improve Maternal and Child Health

and reduce malnutrition among women and children under the age of five. Build the capacity of frontline workers like ASHA and Anganwadi cadre and create awareness and social behaviour change among the community

Improve Access to community healthcare services
in needy areas through doorstep delivery of curative and preventive healthcare through **Mobile Medical Units**, improve health infrastructure like **Primary Healthcare Centres (PHCs)** and other relevant interventions

Objectives

Women Empowerment

for the reduction in economic and social discrimination against women and girls

Initiatives and Interventions

Inclusion

of girls and women in education and skilling programmes
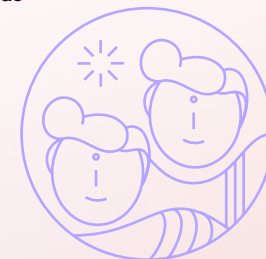
Financial inclusion of women

through **financial literacy** and Government scheme linkages

Socio-economic empowerment

of women through focused interventions for livelihood through Agri-Business Centres, Self Help Groups, micro-enterprises, nurseries, custom hiring centres, etc.

Key role for women in the execution of programmes

– **Yojana Sakhis, Pashu Sakhis, Krishi Sakhis, Village Health Champions, Mother's Groups, Mohalla Committees, Water User Groups, Vanikaran Sanghas**
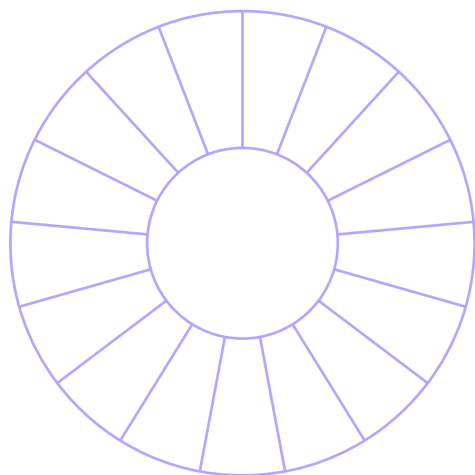
Horizon II

Create capabilities for tomorrow

Approach to Sustainability 2.0

Environmental Stewardship

Social Stewardship – Sustainable & Inclusive Growth

Annexures

Alignment to National Priorities and Sustainable Development Goals

Investing holistically, the Two Horizon approach establishes enabling conditions for the emergence of habitations with indicators aligned to **national priorities** and several **Sustainable Development Goals (SDGs)**, whether in the area of the protection of natural resources or the development of human capabilities.

Table 1 illustrates these linkages for key interventions. →

Horizon I - Strengthen current dominant sources of livelihood

Objectives	Government Priorities and Programmes of Relevance	SDGs
Natural Resources Management	Atal Bhujal Yojana, Biodiversity conservation, Jal Jeevan Mission (Urban), Har Khet ko Pani, Mahatma Gandhi National Rural Employment Guarnatee Scheme (MGNREGS), Mangrove Initiative for Shoreline Habitats & Tangible Incomes (MISHTI) programme, National Water Mission, River Basin Management Agri biomass for energy needs and Agri start-ups, Chemical Free farming,	6, 13, 15, 16, 17
Climate Smart Agriculture	Drone didi programme, India's Net Zero plans, Liquid and nano fertilizer use, Millet mission, Solar energy in agri	1, 2, 9, 13, 15, 16, 17
Livelihood Diversification	Assistance for Agro-forestry, Ministry of New and Renewable Energy for Biogas, National Livestock Mission, Pradhan Mantri Matsya Sampada Yojana, Rashtriya Gokul Mission	1, 2, 13, 15, 16
Institutional Support	Crop Insurance, Custom Hiring Centers, Farmer Produces Orginsations, Kisan Credit Card, PM KISAN, Soil Health Card	1, 2, 9, 13, 15, 16, 17

Horizon II - Create capabilities for tomorrow

Objectives	Government Priorities and Programmes of Relevance	SDGs
Support to Education	Early Childhood Care and Education, National Education Policy, Samagra Shiksha Abhiyan, Swachh Vidyalaya Campaign	4, 6, 9, 10, 16, 17
Skilling of youth	National Action Plan for Skill Development of Persons with Disabilities (NAP-SDP), Pradhan Mantri Kaushal Vikas Yojana, Skill India Mission	4, 8, 10
Sanitation, waste management and healthcare	Anaemia Mukt Bharat, National Health Mission, Rashtriya Bal Suraksha Karyakram (RBSK), Saksham Anganwadi programme and POSHAN 2.0, Swatch Bharat 2.0, TB Mukht Abhiyan	3, 6, 9, 11, 16, 17
Empowering women	Financial literacy to women, Krishi Sakhi Scheme, Lakhpati Didi program, National Rural Livelihood Mission (NRLM), Pasu Sakhis Scheme, Producers' Enterprises, Self Help Groups	1, 2, 5, 8, 9, 10, 16, 17

Approach to Sustainability 2.0

Environmental Stewardship

Social Stewardship - Sustainable & Inclusive Growth

Annexures

Implementation Strategy based on Key Tenets

ITC's Social Investments Programme is committed to building and adopting sustainable processes that will lead to the long-term sustenance of the programme outcomes. SIP's approach and implementation strategy focuses on **strengthening grassroots institutions** for **community ownership, multi-stakeholder partnerships,** and fund leverage for **scale and sustenance**. The key elements of the approach and implementation strategy are explained ahead.

Impact-Focused Programme Design

The programmes are designed following a **bottom-up approach**, wherein **community needs** are identified through **needs assessment and baseline studies**, based on which end outcomes (long-term and short-term) are decided and initiatives finalised to achieve those outcomes.

The programmes are designed keeping in mind the **targeted outcomes** to be achieved while having **time-bound, specific outputs** that act as short-term and mid-term milestones. These outputs are related to specific activities planned under each programme to achieve the targeted outcomes. **Regular and periodical reviews, evaluations** and **assessments** are undertaken to take stock of the situation and make course corrections if required. This helps in guiding the programmes in the right direction.

During FY 2023-24, impact assessments were also undertaken for projects implemented under the Two Horizon approach. These impact assessments adopted a combination of quantitative household surveys and qualitative discussions with community members and other key stakeholders. The findings and learnings

from these impact assessments will feed into the programmes as relevant.

Summary of the findings of some of the impact assessments completed in FY 2023-24 are mentioned in

📑 **ITC's Annual Report 2024** ↗

and the reports are also available at

📑 **www.itcportal.com** ↗

Focusing on Equity and Inclusion

Equity and Inclusion form a crucial component of the ITC Mission Sunehra Kal programmes. The same is ensured through targeted focus and by encouraging participation and representation of **women and children as well as, other vulnerable and underprivileged sections** of society, in all the programmes. Besides having these sections of society at the core of all the programmes, special interventions are also planned for these groups to provide them the leverage to be able to achieve gender and social equity. For instance, during FY 2023-24, the programme for skilling differently-abled youth, which was initiated in Bangalore, was also expanded to Kolkata and Howrah. The Targeting Hardcore Poor programme that has been operational since 2014 focuses on enhancing the social and economic status of women whose households are totally dependent on them and have meagre annual income.

Horizon II

Participatory Development through Empowered Grassroots Institutions

Community behaviour change is a key approach facilitated through a focus on training, capacity building, and demand generation for all programmes, thereby enabling participation, contribution, and asset creation for the community.

Most activities are undertaken through empowered community-based grassroots institutions. Community contribution, both financial and in kind, is a key element that, when combined with a participatory approach, generates high ownership and enables managing their resources independently, judiciously, and equitably, both of which are fundamental to long-term sustenance. The members of such institutions also become change agents and influencers for the larger community in their respective catchments.

TABLE 2: GRASS-ROOT INSTITUTIONS FACILITATED (CUMULATIVE)

Interventions	Nos.	Members
● **Water User Groups (WUGs) and Charagah Vikas Samitis (CVSs)**		
Natural Resources Management - Water Stewardship and Biodiversity	4,800	77,800
● **Vanikaran Sanghas (VSs)**		
On-farm Livelihood Diversification - Social Forestry	1,700	44,000
● **Agri-Business Centres (ABCs)***		
Climate Smart Agriculture	1,150	67,700
● **Farmer Producer Organisations (FPOs)**		
Climate Smart Agriculture	1,660	~5,00,000
● **Self-Help Groups (SHGs)**		
Women Empowerment	7,300	88,400
● **School Development Management Committees (SDMCs)***		
Education	970	5,800
*ABCs and SDMCs are annual numbers | ● *Institutions*	**17,580**	**7,83,700**

Along with the grassroots institutions covered in the Table above, several other types of community-based activity groups are also formed and / or strengthened under the programmes to ensure community ownership and sustenance of outcomes. **Mohalla Committees** are formed under the decentralised Waste Management Programme responsible for day-to-day operations, including user fee collection and payments to waste collectors. As part of the education programme, **Child Cabinets and Water & Sanitation (WATSAN) Committees** are formed at the school and community levels, respectively, and comprise children and community members. These groups inculcate and encourage the adoption of good sanitation and hygiene practices at the school and community levels. **Mothers' groups** are formed to support activity-based learning for children at the community level. **Rogi Kalyan Committees** are activated in the programme of upgrading infrastructure in Primary Health Centres.

Multi-Stakeholder Partnerships and Collaborations

Continuous emphasis is laid on building partnerships of value for:

→ being updated with contemporary knowledge, identifying technological solutions and innovations
→ scaling and agile amplification
→ efficient programme execution at the field level

Technical Collaborations

Knowledge Partnerships with national and international organisations / agencies to remain contemporary and access the latest knowledge and technical know-how to continuously improve the quality of programmes.

Prominent knowledge partnerships over the years include those with **CGIAR** for Climate Smart Villages, **IUCN** for Sustainable Agriscapes, **IWMI** and **WWF India** for water, IIT – **Delhi's CERCA unit** for digital mapping of crop residue management, **Indian Institute of Science (IISc), Bangalore** for South Pennar river basin water security study, **National Institute of Nutrition, Hyderabad** for mother and child health and nutrition; **Agricultural Institutes** like Tamil Nadu Agricultural University (TNAU), Indian Institute of Rice Research (IIRR), Indian Institute of Soya Research (IISR), ICAR-Agricultural Technology Application Research Institute (ATARI), Kanpur, Dr. Rajendra Prasad Central Agricultural University, Pusa and district level Krishi Vigyan Kendras (KVK).

In continuation of our earlier partnership with **IIT Delhi** done in FY 2021-22, ITC further expanded the scope of work during FY 2023-24. The purpose of such partnerships is to support research and development in the areas of science, engineering, technology, energy, decarbonisation, and medicine aimed at accelerating India's journey towards achieving its Sustainable Development Goals.

Implementation Partnerships

Implementation Partnerships were made with **88** reputed and expert NGOs for the execution of the various projects across India, which included both **thematic experts and grassroots NGOs**. The NGO partners, with their thematic expertise and grassroots presence, play a pivotal role in the execution of the projects.

ITC invests in the financial and project management skills of NGO partners to ensure robust outcomes and also **enable their capacity building** through exposure to ITC projects across geographies and cross-fertilisation of learnings. Their perspectives were also considered for the **Double Materiality** exercise that ITC undertook with all stakeholders, which has been discussed in earlier sections of this report.

Government Partnerships

Public-Private-Partnerships (PPPs) with Central and State governments are an integral part of MSK's approach to enabling rapid scale-up of programmes that have been successfully demonstrated and implemented in ITC's project locations. Such PPPs act as force multipliers and are exemplars of collaborative governance.

Apart from the regular PPPs aimed at resource pooling, the focus has also been on partnering with governments for **large-scale amplification** delivered through the Government machinery.

MSK has forged **92 Public Private Partnerships** (PPPs) to date, of which **22 are currently active,** including **6 signed** during the year, as mentioned below:

→ Rajiv Gandhi Mission for Watershed Management, Government of Madhya Pradesh, covering 35 districts for Climate-Smart Watersheds
→ Farmer Welfare and Agriculture Development Department, Government of Madhya Pradesh, covering 6 districts for Climate Smart Villages
→ Tribal Cooperative Marketing Development Federation of India (TRIFED) for supporting tribal farmers on organic cultivation and market linkages in Andhra Pradesh and Odisha
→ Panchayati Raj and Rural Development Department, Government of Andhra Pradesh, for Biodiversity Conservation in 9 districts
→ Child Development Services and Nutrition Department, Saharanpur, Uttar Pradesh, for improving Early Childhood Care and Education (ECCE) and nutrition (Padhai Bhi, Poshan Bhi) for children and mothers in all the Anganwadi Centres of Saharanpur district
→ Women Development & Child Welfare (WD & CW) Department, Government of Andhra Pradesh, to strengthen Early Childhood Care & Education (ECCE) in all 26 districts of the State

A snapshot of all the MoUs signed so far is presented in Table 3.

Approach to Sustainability 2.0

Environmental Stewardship

Social Stewardship – Sustainable & Inclusive Growth

Annexures

TABLE 3: A SNAPSHOT OF ALL THE MOUS SIGNED SO FAR

Theme	States	Department / Programme		No. of MoUs	Operational in 23-24	Completed
Agriculture	Andhra Pradesh, Assam, Bihar, Jharkhand, Madhya Pradesh, Maharashtra, Odisha, Rajasthan and Uttar Pradesh	• NABARD Tribal Development Fund (TDF) • NITI Aayog • Farmer Welfare and Agriculture Development Department, Madhya Pradesh	• Tribal Co-operative Marketing Development Federation of India (TRIFED) • Rajiv Gandhi Mission for Watershed Management, Madhya Pradesh	6	5	1
Water Stewardship	Andhra Pradesh, Bihar, Karnataka, Maharashtra, Rajasthan and Telangana	• Mukhyamantri Jal Swabhalamban Abhiyan (MJSA) • Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) • Integrated Watershed Management Programme / Watershed Development Programme	• Water Resources Department (WRD), Govt. of Maharashtra • Watershed Development Department, Karnataka • DRDA, Munger • NABARD	46	5	41
Biodiversity	Andhra Pradesh, Maharashtra, Rajasthan and Telangana	• Forest Department, Govt. of Maharashtra and Telangana • Wasteland & Pastureland Development Board (WPDB), Govt. of Rajasthan	• Rural Development Department, Govt. of Andhra Pradesh	4	2	2
Livestock	Andhra Pradesh and Madhya Pradesh	• Livestock Development Agency (APLDA)	• NABARD	2		2
Education	Andhra Pradesh, Assam, Karnataka and West Bengal	• Department of State Education Research and Training – Karnataka and Assam • District Elementary Education / Samagra Shiksha Mission, West Bengal	• Women Development & Child Welfare Department, Govt. of Andhra Pradesh	7	2	5
Vocational Training	Andhra Pradesh and Madhya Pradesh	• NABARD		2		2
Sanitation	Punjab and Rajasthan	• Zila Panchayats under the Swachh Bharat Mission		4		4
Mother & Child Health and Nutrition (MCHN)	Assam and Uttar Pradesh	• Directorate of Women and Child Development, Assam	• Child Development Services and Nutrition Department, Uttar Pradesh	2	2	
Waste Management	Andhra Pradesh, Bihar, Karnataka, Maharashtra, Punjab, Telangana, Tamil Nadu, Uttar Pradesh and Uttarakhand	• Saharanpur Municipal Corporation • Guntur Municipal Corporation • Guntur Zila Parishad • Karamadai Panchayat, Coimbatore • Greater Chennai Corporation • Zila Panchayat, Mysuru • Municipal Council of Kapurthala • Zila Parishad, Ranjangaon • Nagar Palika Parishad, Shivalik Nagar, Haridwar	• Ministry of Urban Development, Uttar Pradesh • District Panchayat Office (DPO), Bhadradi Kothagudem, Telangana • Hindu Religious and Charitable Endowments (HR&CE), Govt. of Tamil Nadu • Munger Municipal Corporation • Lohiya, Swachh Bihar Abhiyan, Bihar • Department of Drinking Water and Sanitation through India Sanitation Coalition – FICCI	15	5	10
Women Empowerment	Bihar, Madhya Pradesh, Maharashtra, Rajasthan	• State Rural Livelihood Missions of Maharashtra and Madhya Pradesh • Bihar Rural Livelihoods Promotion Society	• MGNREGS - Women Initiative for Self-employment and Empowerment project	4	1	3
As a result of these partnerships, the Social Investments Programme was able to raise a total of ₹521 million during the year by way of local contributions and external funds across projects.				92	22	70

+ *Interaction of community with Additional Director, Swachh Bharat Mission in Light House Initiative (LHI) partnership programme in Uttarakhand*

The Light House Initiative (LHI) was conceptualised as a Public-Private-Collaboration with the principle of a collaborative and participative approach at its core by the **Department of Drinking Water and Sanitation (DDWS), the Government of India, and the India Sanitation Coalition (ISC)**. Under the oversight of DDWS and India Sanitation Coalition, 75 Gram Panchayats (GPs) across 15 States were selected for converting them as Light House GPs with the support of 8 corporate partners, including ITC. ISC played the role of a facilitator between DDWS and corporates. A Light House GP is one that had successfully and sustainably developed, demonstrated, and maintained practices and infrastructure across all the components of the sanitation and waste management value chain with community ownership.

ITC has been working on a Sanitation and Solid Waste Management Programme in 50 districts across 14 States focusing on Individual Household Toilets, Community Toilets, Child, and Gender Friendly WASH in Schools, and Decentralised Solid Waste Management with

State Governments and District Administration. ITC's Programme aims to bring about social behaviour change among households through community institutions and to get them to take ownership of creating and sustaining clean, safe, and hygienic habitations. It is in this context that ITC found the Lighthouse Initiative relevant to further strengthen efforts in partnership with Central and State Governments and therefore selected **36 GPs in 10 States out of the total 75 GPs** required to be covered in Phase 1 of the Initiative.

ITC leveraged the strength of its existing partnerships, past experience of working on sanitation and waste management, the mobilisation capabilities of its implementing NGOs, and engagement with community institutions. ITC focussed on:
→ Designing of information, education, and communication material and implementation of behaviour change communication plans for improving awareness about good hygiene practices and generating community ownership

Case Study

Lighthouse Initiative

A Successful Example of a Multi-stakeholder Collaborative Approach

Approach to Sustainability 2.0

Environmental Stewardship

Social Stewardship - Sustainable & Inclusive Growth

Annexures

Cast Study contd.

→ Supporting district-level Swachh Bharat Mission (SBM) teams and building the capacity of GPs to plan interventions in the areas of sanitation, solid, liquid, and faecal waste management

→ Working in close collaboration with the ISC team to ensure smooth coordination with State Mission Directors for approvals and fund transfers

→ Piloting technologies and models that are scalable and help in ease of implementation, monitoring, and generating community ownership

Based on the sanctioned plans, 1,808 toilets were constructed for beneficiaries who did not have toilets; retrofitting of pits was done in 183 toilets for ODF sustainability; 1,318 Liquid Waste Management structures like soak pits and waste stabilisation ponds were constructed; 506 inline treatment was done. As a result of this, waste segregation by households and other generators increased to 87.5%.

+
Visit by State Lohiya Swachh Bharat Abhiyan Team in Bihar

Apart from techno-managerial support, ITC also provided financial support for training, capacity building, and behaviour change campaigns, whereas the Swachh Bharat Mission and other Government funds were leveraged for the implementation of sanitation, solid, and liquid waste management interventions.

ITC also developed a **Swach Mitra App** for monitoring of Waste Management Programme in Bihar, which was also used by Lohiya Swachh Bihar Abhiyan across 12 districts of Ganga Gram.

Coupled with the active engagement of ISC and the proactive support of the State SBM Teams, ITC has seen an encouraging movement in the selected 36 GPs across the stages of Aspiring, Rising, and Model. 22 GPs have already been declared as Model GPs by the Government, and the remaining 14 are also enroute to becoming Model. Apart from helping GPs in asset creation for sanitation, behaviour change communication, introducing service fees for sustainability, and setting up a monitoring mechanism, ITC also provided support for the inclusion of sanitation worker's well-being, integration of SHGs as service

providers in waste management, involving front-line Government Sevikas (like ASHA, ANM & Anganwadi Workers) and school children as agents of behaviour change, which are also the core aspects of ITC MSK.

ITC's approach of involving SHGs as service providers for GPs for SWM across various States and the use of the Swachhata Mitra App for monitoring waste management in partnership with the Bihar Government has received high appreciation as best practices. In Bihar, where ITC was the only corporate partner, all 8 GPs selected under LHI were declared

as Models by the Government after following due process, and the State was awarded for best performance during the Annual Sanitation Conclave of ISC.

The Panchayats, as Model Lighthouses under LHI, would serve as exemplars for other Panchayats. Also, the collaborative approach can inspire and motivate other similar partnerships, apart from further strengthening ISC's endeavours with the participation of more organisations.

Long-term plans 2030

Mission Sunehra Kal 2030: Targets and Timelines

Based on the Two Horizon strategy, several integrated interventions have been designed to achieve the Company's ambition of creating habitations with holistic development where people have access to sustainable livelihoods and / or are future-ready for the context of tomorrow. Each intervention has its measurable indices to achieve the desired goals. These are detailed below.

TABLE 4: PERFORMANCE AGAINST TARGET 2030 FOR MISSION SUNEHRA KAL

Horizon I - Sustainable Livelihoods Today

Climate Smart Agriculture

basis climate risk assessments, climate change adaptation, and actions for sustainable improvement of crop yields and farmer incomes

Climate Smart Agriculture area[1]
- ◉ **40 lakh acres**
- ○ **27.94 lakh acres**

Climate Smart Village Area (Sub-part of above)[1, #]
- ◉ **30 lakh acres**
- ○ **19 lakh acres**

- ◉ *2030 target*
- ○ *Achieved till FY 2023-24*

[1] *Figures on Climate Smart Agriculture, Climate Smart Village and Crop Water Use Efficiency areas pertain to scale in that FY*

These indicators also contribute to five of the Company's sustainability 2030 (S 2.0) commitments

Natural Resources Management

to conserve and replenish natural resources critical for agriculture – Water, Soil, and Biodiversity

Watershed Development
- ◉ **22 lakh acres**
- ○ **16.38 lakh acres**

Water harvesting structures (including groundwater recharge structures)
- ◉ **50,000 nos.**
- ○ **32,400 nos.**

Storage Potential[#]
- ◉ **60 million kl**
- ○ **54.26 million kl**

Crop Water Use Efficiency[1,#]
- ◉ **2,000 million kl**
- ○ **1,090 million kl**

Bio-Diversity Conservation[#]
- ◉ **10 lakh acres**
- ○ **4.70 lakh acres**

Livelihood Diversification

to improve incomes and de-risk livelihoods from climate change

On-farm Diversification - Social Forestry[#]
- ◉ **6.30 lakh acres**
- ○ **4.90 lakh acres**

Off-farm diversification - Livestock-based livelihood strengthening
- ◉ **10 lakh households coverage**
- ○ **7 lakh households covered**

Institutional Support

for risk mitigation and reduction of costs of cultivation

Link farmers with Government programmes
- ◉ **50 lakh linkages**
- ○ **24.75 lakh linkages**

Agri-Business Centres
- ◉ **2,000 nos.**
- ○ **1,158 nos.**

Farmer Producer Organisations
- ◉ **4,000 nos.**
- ○ **1,660 nos.**
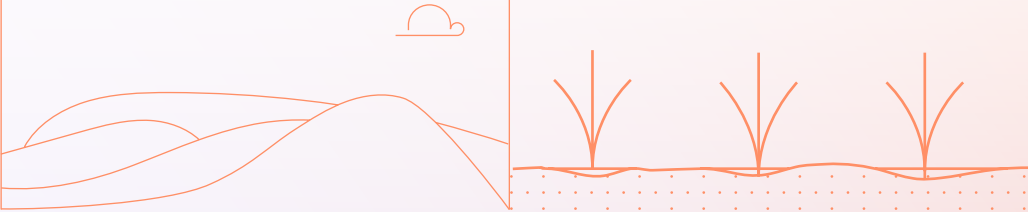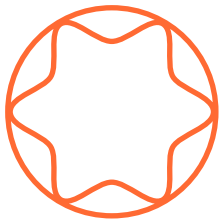
Long-term plans 2030
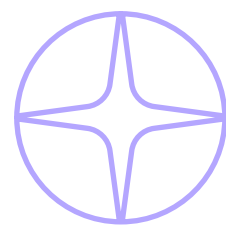
Horizon II - Creating Capabilities for Tomorrow

Support to Education

for improving the quality of education and creating a conducive learning environment

Improvement in learning outcomes – Children covered

20 lakh children

15.31 lakh children

Infrastructure support to Government Schools and Anganwadis

4,000 nos.

3,914 nos.

◉ *2030 target*
○ *Achieved till FY 2023-24*

 # These indicators also contribute to five of the Company's sustainability 2030 (S 2.0) commitments

Skilling of youth

for enabling livelihood and employability

Vocational Training – Youth trained

2.25 lakh youth

1.12 lakh youth

Facilitate access

to sanitation and waste management services to improve habitats

Household Toilets constructed

40,000 nos.

43,804 nos.

Waste Management (SWM) – Households covered, other than through Well-Being out of Waste (WOW) intervention#

75 lakh households

50.59 lakh households

Public and Community

Health to improve habitats and reduce mortality

Beneficiaries covered under Maternal Child Health & Nutrition programme

15 lakh beneficiaries

14.61 lakh beneficiaries

Empowering women

for reduction in economic and social discrimination

Women are covered through livelihood and other microenterprises

2.50 lakh women

1.92 lakh women
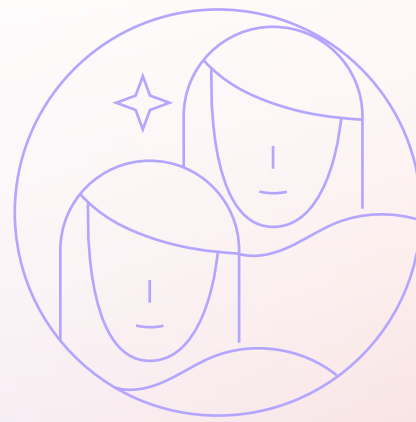
Interventions in High-Priority Areas

The performance of different programmes under the **Two Horizon approach** have been presented ahead in brief. All these programmes are undertaken by ITC independently or through Public-Private-Partnerships with Governments and implemented by ITC's NGO partners.

Horizon I
Strengthen Current Dominant Source(s) of Livelihoods

Livestock beneficiary in Madhya Pradesh

Climate Smart Agriculture (CSA)

The CSA programme aims to make agriculture regenerative, productive, sustainable, remunerative, and climate-resilient, which help farmers in adaptation, and the practices being GHG efficient also helps in mitigating climate change. CSA is closely aligned with the Indian Government's **PM KUSUM, Sustainable Agriculture, Natural Farming, and Millet Mission programmes,** which focus on improving farmer incomes, minimising climate-related risks, and decarbonising agriculture. As part of CSA, scientific understanding of Natural Farming programmes and incorporation of relevant components is also done. CSA focusses on large-scale promotion of proven crop-specific practices in its operational areas, aimed at the following:

→ Reducing costs and improving yields and thereby incomes of farmers whilst also building resilience to climate change: Adaptation to climate change

→ Reducing GHG emissions: Mitigation of climate change

→ Improving water use efficiency and conserving other natural resources: Sustainable and Regenerative

To ensure large-scale promotion of the suggested practices, farmer capability building is a key component. ITC builds farmer capabilities by working with knowledge partners to identify relevant technologies and practices and by training farmers through Farmer Field Schools and Choupal Pradarshan Khets. **ITCMAARS** and WhatsApp platforms are also used for capability building through digital modes and for dissemination of information, including localised weather forecasts. After the creation of farmer awareness, ITC ensures the adoption of the practices by providing on-field technical assistance to farmers and by linking them with relevant Government programmes and schemes and with local farmer collectives.

In the CSA programme, through 755 **exclusive Women Farmer Field Schools** (FFS), scientific and technological best practices were disseminated to over **1.95 lakh women** farmers during the year.

Farmer Field School in Bihar

ITC actively engages with women in each of the programmes, including agriculture and allied livelihood sectors. ITC promotes climate-smart women farmers, service providers, and women groups, which helps, them improve yields, incomes, and resilience. In Amravati district of Maharashtra, ITC initiated the women agriculturists programme initially in partnership with Maharashtra State Rural Livelihood Mission (MSRLM) and later scaled up on its own.

In the programme, ITC undertook the following activities:

→ Built capabilities of women through Farmer Field Schools for adopting climate-smart agri-practices such as the Broad Bed Furrow method of sowing in Soya and Wheat, along with other Package of Practices
→ Promoted Krishi Sakhis by training them on providing advisory and input sale services to other farmers
→ Promoted Women Agri-Business Centres (ABC) which took up collective input procurement for members and provided equipment on hire to member farmers and those connected with ITC's FPO programme
→ Connected with the ITCMAARS platform for digital advisory
→ Additionally, women were trained and helped to take up agri-residue collection cum sale to briquette making units, which helped in generating additional income
→ 11 women were trained as Drone Pilots and have now also received a 10-year license from the Directorate General of Civil Aviation (DGCA). This initiative is aligned with the Government's **Drone Didi** programme, which aims to promote women drone pilots

Output and Impacts

→ 24,268 climate-smart women farmers, 240 Krishi Sakhis, and 125 women-exclusive ABCs promoted
→ As per the diaries maintained by them, women farmers realised an average of 19% and 17% yield improvement resulting in ₹8,343 and ₹.4523 additional net income in Soya and Wheat crops, respectively
→ Krishi Sakhis are earning a monthly income in the range of ₹3,000 to ₹4,000 per month
→ The ABCs have helped farmers by hiring out equipment and providing inputs like compost, botanical pesticides, etc. at comparatively lower prices than the market. While helping farmers, ABCs had an avg. annual turnover of ₹92,000 and a net income of ₹34,000. Additionally, ₹1,47,000 was earned from the sale of 735 tonnes of agri-residue.
→ This programme, along with improvements in incomes and livelihoods, has also helped in developing women as influencers and changemakers for the entire village, including other male farmers

ITC is working with **1.95 lakh women farmers** and 349 exclusive women ABCs across the country.

> **"Adopting climate-smart agriculture practices like broad bed furrow, improved seed varieties for Soya, and diversifying / alternate livelihood into animal rearing, poultry, and vermicelli business has transformed my life. Now I earn up to ₹6 lakh annually; out of which ₹4 lakh annually is from farming and an additional ₹2 lakh is from other activities. As a Krishi Sakhi, I am proud to support 80-85 women farmers in our community through Farmer Field Schools to increase their income through these sustainable agriculture and allied climate smart practices."**

Mukta Thakre,
a women farmer and Krishi Sakhi,
Sayat Amravati

*Drone didi in Maharashtra*

Case Study

Climate Smart
Women
Agriculturists

Approach to Sustainability 2.0

Environmental Stewardship

Social Stewardship - Sustainable & Inclusive Growth

Annexures

CSA - zero-tillage plot   Conventional practice plot

Impact of heavy rains on wheat crop in Rajasthan

The CSA programme covered over **27.94 lakh acres,** benefitting over **10.5 lakh farmers** during the year across 19 States. During the year, major climate-smart agriculture practices that were promoted under MSK included the following:

→ Zero Tillage (ZT) method, Broad Bed Furrow (BBF) method of sowing, and other standard packages of practices in Wheat in close to 15 lakh acres
→ Sustainable Rice cultivation practices - Direct Seeding of Rice (DSR), Alternate Wetting and Drying (AWD) (also referred to as Pani Pipe), and Crop Residue Management (no stubble burning) in 4.72 lakh acres
– Crop Residue Management (CRM): Avoiding paddy stubble burning in the areas where it is prevalent, especially Punjab, by promoting both in-situ (incorporating stubble into soil) and ex-situ (sale of stubble for fodder, ethanol production, etc.) solutions. In-situ solutions include promotion of use of happy-seeder, super-seeder, and rotavators to add paddy stubble back to soil, and ex-situ includes collection of paddy stubble

by baling and sale as fodder, biomass for power generation purposes, etc. in 2.5 lakh acres. As a result, no stubble burning has happened in 94% (2.3 lakh acres) of the targeted area

→ Broad Bed Furrow method of Soya cultivation and other standard packages of practices in 5.05 lakh acres
→ Seedling planting, drip irrigation, and trash mulching in Sugarcane covering 97,000 acres
→ Raised bed planting and drip in Onion covering 73,000 acres
→ Micro irrigation and mulching in fruit (Banana), plantation (Coconut, Curry leaf, Oil palm), and other crops (Vegetables, Chilli, Arecanut, Ginger, Maize) and standard package of practices in Millets in over 1.47 lakh acres

For Climate-Smart Agriculture, ITC has major partnerships with Niti Aayog in eight States, NABARD in Rajasthan, the Farmer Welfare and Agriculture Development Department in Madhya Pradesh, and TRIFED in Andhra Pradesh and Odisha.

Internalising CSA practices amongst farmers
Case-study of ITC's Direct Seeding of Rice programme in Uttar Pradesh

ITC, as part of its Climate-Smart Agriculture programme, has been involved in promoting various practices to help farmers withstand extreme weather episodes and to decarbonise agriculture. In UP, ITC has been promoting Direct Seeding of Rice in Paddy and Zero Tillage in Wheat for this purpose.

ITC has initially done climate risk assessments for these crops, scouted technical solutions in consultation with knowledge partners, finalised the adaptation tool kit with the Package of Practices, promoted the tool kit through farmer capability building, and providing continuous hand-holding support to farmers for adopting those practices. ITC has also promoted farmer groups and helped them get relevant equipment from Government programmes.

During the year, The / Nudge Institute conducted an independent study to assess the impact of Direct Seeding of Rice (DSR) in terms of farmer economics, and that study also covered ITC's work in UP along with work done by three other agencies in different parts of the country.

The study was done in the Kharif season of 2023, wherein farmers from 33 villages in 3 of ITC's programme districts (Bahraich, Gonda, and Gorakhpur) were covered. 67% of these farmers were small

(below 5 acres of land holding). The study was done in two phases to avoid data loss: once during the season and the next immediately after harvest.

Impacts

→ **As per the study, DSR farmers in ITC intervention geographies experienced 10.5% yield improvement (19.9 to 22 qt/acre), around 11% reduction in cost (₹23,450 to ₹21,051 per acre), and 33% net income improvement (₹14,600 to ₹19,500 per acre)**
→ **Income improvement exclusively in the case of small and marginal farmers was 36%. 98% of the farmers have stated that they will continue DSR even after ITC leaves the area, suggesting the internalisation of the practice and hence the sustenance of the intervention.**

What Made it happen: As per the study, the reason for such a success was in the way the programme was implemented by ITC, wherein there was continuous capability building, hand-holding support, and scouting of solutions based on emerging challenges, which resulted in overcoming problems and internalising the practice by farmers.

Climate Smart Village in Kapurthala

Additionally, in the core agricultural catchments, ITC has been working to convert the entire village into a Climate Smart Village (CSV). To date, 6,755 villages have been identified, and work is being done to develop them as CSVs. ITC had earlier partnered with the Climate Change and Food Security (CCAFS) programme of CGIAR for technical support for the same. Post-completion of the partnership, ITC developed a comprehensive CSV Framework, which comprises the following components:

→ **Climate-Smart Agri Practices for crops:**
Conducting climate risk assessment at the local cluster level for the crops cultivated in the village and finalising an adaptation tool kit to be followed by the farmers.

→ **Natural Resources Management (NRM):** Access to irrigation for farmers and at the habitation level, ensuring sustenance of natural resources critical for agriculture like water, biodiversity, and soil health.

→ **Livelihood Diversification:** De-risking livelihoods of farmers by promoting diversification in addition to crop cultivation to provide additional incomes to farmers through options that have higher resilience to climate change as compared to agriculture.

– On-farm diversification with tree plantation (fruit, plantation, or timber species) in the field
– At least one significant animal-dependent livelihood such as major ruminants (cows and buffaloes), minor ruminants (goats and sheep), piggery, poultry, and fishery

→ **Reducing costs** of cultivation and insulating from climate risks by ensuring that farmers are
– Members of farmer institutions like Agri-Business Centres (ABC) and Farmer Producer Organisations (FPOs) for market access to their produce, collective input procurement, equipment hiring, credit, and dissemination of crop advisories and weather forecasts.
– Linked to Government schemes for additional income **(PMKISAN)**, institutional credit **(Kisan Credit Card)**, crop insurance **(PM Fasal Bima Yojana)**, Soil Health Card, and pension **(Kisan Pension)**.

A village with most households covered by the above components and habitations connected with Natural Resources Management becomes a CSV.

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Broad Bed Furrow method of cultivation in Soyabean plot, Omprakash Suman, Rajasthan

Case Study

Climate change is impacting farmer livelihoods adversely and has amplified the problems already faced by Indian farmers. As a response, ITC has promoted the Climate Smart Village (CSV) programme. The major component of CSV is promotion of Climate Smart Agriculture - (CSA) practices, which help farmers adapt to changing weather episodes. These practices, being GHG-efficient as compared to conventional practices, also help in mitigating the climate change impact. CSA, along with the other 3 components of CSV, namely Natural Resources Management, Livelihood Diversification, and Institutional Support, helps in improving, insulating, and strengthening agri- and allied sector livelihoods. It also helps in facilitating carbon, water, and nature-positive value chains.

Aktasa village in Jhalawar district in Rajasthan is now a CSV where ITC initiated work in 2019. Major crops in the village were Soya and Wheat, but with low productivity and facing frequent crop losses due to climate events such as drought, untimely rains, heavy rains, and early rise in temperature. ITC took up climate risk assessment for these crops, developed an adaptation tool kit, and promoted the same through extensive on-field training. Parallelly, the other three CSV components were also taken up.

As a result, 87% of the farmer households have adopted CSA practices (nil in baseline), 91% have access to irrigation (40% in baseline), 54% have adopted on-farm (10% in baseline), and 85% have adopted off-farm livelihood diversification (50% in baseline). 75% of the farmers are associated with farmer institutions (30% in baseline), and 90% are linked to targeted schemes (50% in baseline). This saturation approach has resulted in improvements in yield, higher resilience, and additional income sources for households, and the village which, was in the category of **Low Yield and Low Resilience, progressed into the intended High Yield and High Resilience** by 2023.

Omprakash Suman is a CSV farmer from this village. He has four members in his family, including his wife and two children, and he owns four acres of agricultural land. He was cultivating Soya in 4 acres and Wheat only in 2 acres, as his borewell yield was very low. The water table in the village was too deep, at about 300-350 feet. Due to limited awareness of standard agricultural practices and specifically climate smart practices, he had a lower yield (5.12 q/acre in Soya and 14.25 q/acre in Wheat) and was frequently facing crop loss due to heavy rains in Kharif and untimely rains, which

Climate Smart Village Programme for

Agri-resilience and Farmer Livelihood Security

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Cast Study contd.

caused terminal heat stress in Wheat. He had an orange orchard in 0.25 acres, which was not yielding enough due to poor-quality plant material. He had no other annual source of income. He had a Kisan Credit Card (KCC) and was a member of the Agriculture Cooperative Society, but had no other scheme linkages.

In 2019, ITC started the CSV programme in the village and engaged with Omprakash along with other farmers by facilitating the following:

CSA: Trained through Farmer Field Schools and helped in adopting CSA practices such as Broad Bed Furrow with weather-resilient varieties like JS 2034 and RVS 2001 in Soya, and Zero Tillage / BBF with resilient varieties like Raj 4037 in Wheat. He was also linked to ITCMAARS to receive dynamic and regular advisory services

NRM: Benefitted from the construction of six water harvesting structures in the village with 61,000 cu.m. of water harvesting potential

Institutional Support: Linked to crop insurance, Soil Health Cards, PM KISAN, and PM Pension schemes. He was also encouraged to join the ITC-promoted Farmer Producer Organisation (FPO)

Livelihood Diversification: He now had one acre under Orange and Guava, aided by the micro-irrigation support from the Horticulture department. Since trees are young, Wheat crop is cultivated in the same field. His wife was encouraged to become a member of a Self-Help Group (SHG) which helped her get a credit linkage of ₹30,000/- for purchasing livestock. The family now has 2 cows and 2 Murrah buffaloes.

Impacts

As per Omprakash, he has experienced a yield increase of 37% in wheat (14.25 qt/acre baseline to 19.52 qt/acre) and 53% in Soya (5.12 qt/acre baseline to 6.9 qt/acre.). As compared to farmers practicing conventional practices, he could withstand heavy rain damage in both crops as BBF ensured draining out excess water. He also harvested Wheat immediately after receiving a timely forecast from ITCMAARS about untimely rains, which helped avoid crop damage. Though he had crop insurance, there was no need for availing the same.

Total net income increased by 5 times from all the activities compared to baseline and had an additional saving ₹5,000 per year due to reduced costs as he availed of some services through the FPO.

Omprakash working in his field practising crop diversification

Net Income / year	Baseline (in ₹)	Current (in ₹)
From Agriculture	99,700	3,47,426
From Fruit Tress	0	47,000
From Livestock	0	1,30,000
PM KISAN Scheme	0	6,000
Total	**99,700**	**5,30,426**

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Natural Resource Management

ITC works to conserve and replenish three natural resources critical for agriculture: **Water, Soil, and Biodiversity, for sustaining agricultural livelihoods and environmental protection.** The approach for each of these natural resources is detailed below:

→ **Water stewardship** for drought-proofing agriculture and achieving unit-positive status through supply and demand management initiatives

→ **Soil health** improvement through practices such as manure application, tank silt application, conservation agriculture, and green manuring

→ **Biodiversity conservation** through **commons restoration** and forest fringe development

Water Stewardship

This programme champions water stewardship for all stakeholders in ITC's operational areas to promote water security through community-based participation in scientific water balance assessments, planning, and execution. The programme is closely aligned with the **Government's National Water Mission, Jal Jeevan Mission (Urban), Har Khet ko Pani, Atal Bhujal Yojana, and River Basin Management programmes,** which focus on providing access to irrigation to farmers, river rejuvenation, and improving groundwater resources.

In the agri-catchments, ITC focusses on drought-proofing agriculture by improving groundwater status and reducing crop-related demand for water. In factory locations, ITC aims to achieve water security for all stakeholders

by progressing towards positive water balance through interventions in supply and demand side management. In addition to rural and agri-focus, two **urban water management programmes** are also being implemented in Bangalore and Chennai to address the challenges of urban water context related to flash floods, depleting groundwater tables, and water shortages. These urban programmes facilitate the revival of urban water bodies, improving natural streams (drainage systems), roof water harvesting, groundwater recharge, including, shallow aquifers, and testing models that help in treating the water and recycling it for agricultural use.

Case study explaining the impact of the Chennai Urban Water programme

Water is a finite source, and ITC realises that a positive water balance can be achieved only when water demand is also optimised apart from supply augmentation through rainwater harvesting. ITC focussed on improving crop water use efficiency in agriculture, wherein the practices promoted reduced water and cultivation costs, and at the same time, improved yields. Water-efficient agri-practices promoted by ITC have been adopted by farmers in close to **15 lakh acres** during the year across 15 crops such as Paddy, Wheat, Soya, Sugarcane, Chilly, Banana, Coconut and Vegetable crops. These practices have potentially saved around **1,090 million kl** during the year, based on calculations done as per various studies.

Percolation tank in Rajasthan

As part of supply-side augmentation, in FY 2023-24, the Water Stewardship Programme covered over **1.68 lakh acres,** of which over 90,200 acres were covered through catchment treatment and over 78,400 acres by providing access to irrigation, taking the total cumulative area to over **16.38 lakh acres** spread over 17 States. More than **4,100** water harvesting and groundwater recharge structures have been constructed during the year, bringing the cumulative total to **32,400** with a net fresh water-harvesting potential of **54.26 million kl.**

The work with the community has also contributed towards getting Platinum certification for five of ITC's units in Pune (2), Bangalore, Saharanpur and Mysuru, thus taking the total to seven units having received **Alliance for Water Stewardship (AWS) Platinum certification.** Another two units at Kapurthala and Bhadrachalam also underwent an AWS audit during the year, and results are expected in the first quarter of FY 2024-25.

To address the magnitude of water stress, in recent years, the programme on water stewardship has also extended

to **river basin-level** interventions so that competing demands from neighbouring areas of our catchments are also addressed and a more holistic and sustainable impact is created. Work has been done in four river basins to date: Maharashtra (Ghod basin), Madhya Pradesh (Kolan's basin), Tamil Nadu (Upper Bhawani basin), and Telangana (Murreru basin). In three basins, the water balance gap that was estimated has been bridged over a period of time. Upper Bhawani is close to becoming water-positive in the coming year. In addition to these four basins, a programme has also been initiated in Karnataka (South Pennar basin).

In pursuit of the above interventions, ITC collaborates with reputed institutions and thematic expert organisations to improve water use efficiency in agriculture, map zones for managed aquifer recharge, and estimate water balance. ITC has to date partnered with reputed agencies like the Indian Institute of Science (IISc) Bangalore, IIT-Delhi's CERCA Unit, IWMI, WWF India, iit-iit Foundation, ACWADAM, GEOVALE, and others for the interventions mentioned above, in addition to the institutes mentioned in the Partnerships section.

Soil Health

ITC works to improve soil health through various initiatives that are specifically aimed at improving **Soil Organic Carbon** (SOC) percentage in soil. SOC is the bedrock for soil health as it improves soil structure and texture, promotes growth of microorganisms in the soil, and increases nutrient intake by crops and the water-holding capacity of the soil. This focus on SOC aligns with the principles of **regenerative agriculture**. The various initiatives by which soil health is improved are:

→ Promoting organic supplement application in fields: Tank silt, compost, toilet manure, and green manuring. During the year, over **10.50 lakh tonnes of tank silt (cumulatively, 84.45 lakh tonnes)** were applied in fields, and over **6,400 compost units (cumulatively, over 61,000)** were promoted.

→ Catchment treatment work done as part of Water Stewardship aids in controlling top soil run-off. **10.38 lakh acres** have been covered through catchment treatment to date, of which over 90,200 acres were covered during the year.

→ No till / Zero Tillage practices to add crop stubble back to the soil help retain soil moisture and reduce soil erosion. During the year, **7.90 lakh acres** of Wheat was covered through Zero Tillage cultivation under MSK.

7.90 lakh acres
of Wheat was cover through Zero Tillage cultivation under MSK

Biodiversity Conservation

In the agri-catchments, ITC works for biodiversity conservation along with soil and water, as these three are essential natural capitals vital for the sustainability of agriculture. Also, rural communities depend on the ecosystem services offered by nature and the local biodiversity for their livelihoods. Therefore, establishing a linkage between biodiversity and livelihoods makes it meaningful for communities to work for biodiversity conservation. As part of its biodiversity conservation efforts, ITC has focussed on the following:

→ Biodiversity conservation in agri-supply chains to minimise the adverse impacts of agriculture on biodiversity

→ Community-driven biodiversity conservation at the watershed level through landscape renewal and rehabilitation of degraded plots for mosaic restoration

→ Revival of ecosystem services provided to agriculture by nature, which has witnessed considerable erosion in recent decades. The major ecosystem services provided by nature are: a) **Regulatory Services:** Water, carbon, local temperatures, and pollination. b) **Provisioning Services:** food, fuel, fodder, and medicine

As in the case of all MSK programmes, for biodiversity conservation programmes too, community ownership is the key to success. To ensure community ownership, ITC works on creating awareness among communities on how biodiversity contributes to their livelihoods by providing ecosystem services such as food, fodder, and fuelwood, water conservation, and the hosting of beneficial predator birds (that feed on crop pests) and pollinators.

Mangrove plantation in Andhra Pradesh

Community institutions such as **Charagah Vikas Samitis (CVS), Banjar Bhoomi and Charagah Vikas Samitis (BBCVS), and Biodiversity Conservation Committees** are formed in villages with membership from small and marginal farmers, landless, shepherds, pastoral communities, and SC and ST communities. These groups play a critical role in making the programme successful by overseeing and contributing to the work and, most importantly, getting land released from encroachments.

During the year, ITC's community-driven biodiversity efforts have conserved more than **1.80 lakh acres** of area, taking the total to date to over **4.70 lakh acres.**

Biodiversity Management

Mangrove forests are coastal ecosystems that are at a high risk of extinction due to various human interventions. Mangrove forests help regulate salt-water ingression, soil erosion control, and they also provide livelihood support for communities residing in the area. Many of the mangroves in the country are highly degraded, but they can also be quickly restored as the survival is good as compared to trees in other village commons. Conservation of degraded mangrove plots requires additional plantation and protection, whereas in totally new plots channel digging to bring backwater into the plots and taking up new plantations is required. Protection from livestock grazing is also the key to survival and growth.

Considering the crucial role of mangroves in environmental and livelihood protection, during the year, a project has been initiated for the restoration of degraded mangroves and planting of new mangroves. Around 500 acres were covered in the Bapatla district of Andhra Pradesh in the year.

For Water Stewardship and Biodiversity Conservation, ITC also has major partnerships with the State Governments of Andhra Pradesh, Maharashtra, Karnataka, and NABARD in Andhra Pradesh.

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Livelihood Diversification

ITC focusses on improving farmer incomes and de-risking livelihoods from climate change through both on-farm and off-farm diversification. ITC works with households to promote:

→ Social Forestry with tree plantation in fields through pulp, fruit, or other multipurpose species; and

→ At least one livestock-based livelihood option outside fields- cows and buffalo, goats and sheep, poultry, fishery, and piggery

On-farm Livelihood Diversification: Social Forestry

Social Forestry: Pulp, Energy, and Agarbatti Bamboo wood plantations are promoted at scale to help farmers realise the market opportunities available in their catchments and to meet their wood requirements. These plantations are done with suitable species like Eucalyptus, Casuarina, Subabul, Melia Dubia, Silvery Oak, and Bambusa Tulda. Considering the interests of small farmers, plantations are done through **agro-forestry and bund plantation models,** both of which enable the cultivation of trees and crops together, thus ensuring incomes and contributing to food and wood security for the nation. The Social Forestry programme has greened over 33,900 acres, benefitting over 10,800 households during the year, thus cumulatively covering **over 4.90 lakh acres** and benefitting **1.87 lakh households,** most of whom are small and tribal community farmers. ITC's Farm and Social Forestry programmes have together greened over **11.66 lakh acres to date.** Farmers are also helped in getting their plantations certified under **Forest**

Stewardship Council Certification® (FSC®), wherein during the year, 578 farmers got about ₹40 lakh as **FSC®** premium in addition to regular wood income.

Other fruit and commercial tree plantations: In all core catchments, ITC also encourages farmers to take up fruit trees or other commercial species plantations, either in part of their field or as an **agro-horti model** (both crops and trees cultivated together). During the year, over 14,485 acres of fruit tree plantations were promoted, taking the cumulative total to **16,200 acres.**

Off-farm Livelihood Diversification: Improved Animal Husbandry Practices

The **Integrated Animal Husbandry Programme** (IAHP) provides an opportunity for farmers to diversify their livelihood portfolio from primary dependence on agriculture to also include animal-based income sources, which are more climate resilient compared to agriculture and are also a regular income sources for households. It is closely aligned with the Government's priorities, like the **National Livestock Mission, Pradhan Mantri Matsya Sampada Yojana, etc.,** for improving farmer incomes from animal husbandry. IAHP aims at quantitative and qualitative improvement in livestock production systems and capacity building for all dependent households. The categories covered include **major ruminants (cows and buffalo), minor ruminants (goats and sheep), poultry, piggery, and fisheries.**

Woman rearing small ruminants, as off-farm livelihood diversification

IAHP is implemented with two approaches:

→ Promoting the adoption of relevant best practices related to breed improvement, feed and fodder, housing, and healthcare cum vaccinations. This is done by training the households on contemporary practices, providing technical support for adoption, and linking with relevant Government schemes like for biogas with the Ministry of New and Renewable Energy schemes, for fisheries with State Government fish pond support schemes, etc. During the year, around **1.20 lakh** Artificial Insemination (AI) were carried out on milch animals (cows and buffaloes), leading to the birth of over 45,000 high-yielding progeny and indigenous breed calves. Cumulatively, over **29.60 lakh** AIs have been done to date, leading to the birth of 10.4 lakh calves. During the year,

2.33 lakh households were covered through various animal husbandry practices spread across the animal sectors mentioned above.

→ Promoting self-employed village cadres such as Artificial Insemination Technicians and Pashu Sakhis (cadres of women) who provide advisory and input services to households at their doorstep. Rural youth and women are provided structured training to be able to provide these services in the villages, and demand is generated for their services by creating awareness among village households. Currently, 118 Artificial Insemination Technicians and over **1,040 Pashu Sakhis** are providing services that have benefitted over **7 lakh animal owners** (cattle, goats and sheep) cumulatively.

Case Study

Livelihood Diversification - Farm Ponds for
Fish Cultivation

Livelihood Diversification is a key component of ITC's Climate Smart Village programme, as it helps in both de-risking and improving income sources. To achieve the same, ITC promotes multi-purpose tree plantation in fields along with crops as on-farm diversification and promotes animal husbandry as off-farm diversification. Off-farm diversification targets multiple options, such as cow, buffalo, goat, sheep, poultry, piggery, and fishery.

In the Pudukottai district of Tamil Nadu, ITC constructed 437 farm ponds over 5 years in 33 villages, which provided irrigation to 1,079 acres and benefitted 437 farmer households. As the farm ponds were constructed in close proximity leading to improvement in soil moisture, they were holding water for 5-6 months, even though average rainfall was only 838 mm (10 years average) per year. In this catchment, ITC spotted an opportunity for fishery-based

additional income and took up the following actions:
- → Engaged with TANUAS, Tamil Nadu Veterinary College & Research Institute, Namakkal, and finalised **a three-level fish-rearing model** as per which three different species that grow effectively at different depths are cultivated
- → Engaged with Tanjavur KVK, which is close to the catchment and has expertise in fish rearing training, and with private fish aquarium nurseries for getting quality fish seedlings and inputs for farmers

Outcomes and Impacts
- → Fish rearing was taken up in 363 farm ponds during the year, benefitting 363 households
- → 256 Kg avg. fish yield per pond and ₹35,950 avg. net income per fish pond
- → Additionally, fish Amino acid was used as pest repellent and crop protection in agriculture, which resulted in a saving of ₹1,250 per acre. Also, the water from farm ponds, when used for irrigation carries nutrient-rich water, which helps in crop productivity.

ITC has promoted fish cultivation in around 1,500 farm ponds in seven States, benefitting small and marginal households.

Fish rearing as alternative livelihood generation activity in Tamil Nadu

Institutional Support

Most Indian farmers fall into the small and marginal category due to their smaller land holdings, which limits their capacity to invest and withstand crop failures. To address this risk, ITC works to enable institutional support for farmers to help them with risk mitigation and cost reduction. ITC works to link farmers with major Government programmes and enables farmers to get enrolled in farmer institutions such as Agri-Business Centres (ABCs) and Farmer Producer Organisations (FPOs).

→ Agri-Business Centres (ABCs) and Farmer Producer Organisations (FPO) are promoted to provide services such as agri-credit linkages, collective input procurement, and taking agricultural equipment on hire. **1,660 FPOs and over 1,150 Agri Business Centres** are providing services to more than **5.67 lakh members,** and additionally, **6,500 Water User Groups and Social Forestry Committees are serving over 1.21 lakh members** for collective mobilisation, apart from playing a key role in ensuring the sustenance of the programmes.

→ Farmers are linked to select Government schemes that help them to cope up with credit, higher costs of cultivation, and climate risks. During the year, **15.24 lakh scheme linkages** (cumulatively 24.75 lakh) were facilitated for various Government schemes like:

– Soil Health Card for rationalisation of fertiliser use

+ *School Development Management Committee in Karnataka*

– PM KISAN financial support programme for supplementary income to farmers
– Institutional credit from **Kisan Credit Card (KCC)** and Cooperative Societies for timely loans and avoiding exploitation from money lenders

– Crop insurance from the **PM Fasal Bima Yojana (PMFBY)** for overcoming crop damage from extreme weather episodes
– Sale of produce through e-NAM market channels

– PM KISAN Man Dhan Yojana : Pension Scheme for a safe future

Horizon II
Creating Capabilities for Tomorrow

Children are learning in small groups as part of the catch-up camp activity

Support to Education

The programme is aimed at improving the quality of education and learning levels of children through interventions focussed on an enabling environment as well as child-friendly pedagogy.

Aligned to the Government's **'Samagra Shiksha Abhiyan' and 'National Education Policy 2020'**, the programme is designed to provide children from weaker sections access to education, focusing on learning outcomes and retention. The interventions focus on universal access and retention, bridging gender and social category gaps in elementary education, and improving the quality of learning.

Operational in 34 districts of 15 States, the **Support to Education** intervention covered nearly **4.10 lakh children** in FY 2023-24, cumulatively covering **15.31 lakh.** As part of this, the **Read India Programme** aimed to provide quality education and improve the learning levels of children. The Programme focussed on bridging the gap in learning levels among children studying in the same standard. To ensure the same, children were categorised into groups based on the assessment of their learning levels, irrespective of the standard in which they were enrolled. Thereafter, an

activity-based learning pedagogy was adopted to improve their learning. Additionally, over **3,600 mothers' groups** were formed and were trained on **activity-based learning** to reinforce the outcomes. These Mothers' groups helped children at their homes retain their learning levels and bridge learning gaps.

During the year, **11,700 Government school teachers and Anganwadi Sevikas** were also trained in the Read India Programme and Early Childhood Care and Education Partnerships on **child-friendly pedagogy,** which helped achieve scale and will enable sustenance of the Programme.

Furthermore, **125 Supplementary Learning Centres (SLCs)** were operational during the year for mainstreaming out-of-school children in Saharanpur and Haridwar. Children from poor socio-economic backgrounds are trained with activity-based learning in SLCs, and counselling of parents is done so that they allow children to come to these Centres. **Over 2,500 children** were mainstreamed during the year, and **12,800 children** cumulatively entered the regular education system. Follow-up visits are done in schools to ensure that children remain in school after mainstreaming.

Considering the importance of **Early Childhood Education and Care (ECCE)** as per **National Education Policy 2020,** building the capabilities of Anganwadi Sevikas on ECCE has been one of the focus areas during the year. The first phase of the partnership on ECCE with Women Development and Child Welfare Department in Andhra Pradesh was successfully completed, covering over 25,700 Anganwadis and **4.03 lakh children** cumulatively in 13 districts by building the capacities of Integrated Child Development Services supervisors, who further trained Anganwadi Sevikas. Based on the Government focus and feedback, ITC has entered the second phase of partnership during the year to expand the programme to all 26 districts of the State.

Infrastructure Support and Maintenance: Improvement in infrastructure at identified Government primary schools or Anganwadis is an important feature of the Support to Education intervention to create an attractive and enabling learning environment through **'Child-Friendly Schools'.** Over 590 primary schools and Anganwadis were provided with infrastructure support in FY 2023-24, bringing the cumulative number to more than **3,900 schools and Anganwadis.**

Counselling sessions with girls in Project Puthri, Tamil Nadu

Three specific activities were initiated in select schools during the year, focussing on water, energy, and waste recycling:

→ 27 schools and Anganwadis were supported with solarisation in Saharanpur, Munger, and Howrah to help them meet the requirements of electricity and cooking in the mid-day meal kitchen.

→ 1,456 Aerators were installed in 202 schools and Anganwadis to save water. The intervention was also used to create awareness among children and encourage them to take the behaviour change message to their families and the local community.

→ Plastic collected was converted into recycled benches, round tables, library racks, and paving tiles, which were installed in 106 schools in rural and semi-urban catchments of ITC, demonstrating a circular model of plastic management. In this process, children were also made aware of waste management and recycling. MSK provided over 1,465 benches and tables made of recycled plastic in schools during the year.

Additionally, during the year, **295 smart classrooms** were made functional either by installing new equipment or operationalising the existing ones, along with training the teachers to use these classrooms to improve learning methodologies and outcomes.

The MSK Programme also strengthened **974 School Management Development Committees (SDMCs)** during the year to enable participation, ownership, and involvement in sustaining the maintenance of school infrastructure being provided by ITC. In several schools, contributions to operations and maintenance of infrastructure and sanitation facilities, creation of soap banks, and capacity

Infrastructure work in Hirudiyara school in Bihar

building of school heads, teachers, and child cabinet members were also undertaken. In addition, **928 Child Cabinets and Water & Sanitation (WATSAN) Committees** were also strengthened in all locations to drive cleanliness and hygienic practices in the schools.

Model Schools: To demonstrate best practices of the National Education Policy, the Model Schools initiative aligned with **Pradhan Mantri School for Rising India (PMSHRI)** was started during the year, focussing on four aspects: **Child and Climate-friendly infrastructure, Improving Learning Quality, Social and Mental Well-Being, and Community Engagement.** 25 schools were selected for the initiative with a three-stage pathway: **Rising, Emerging, and Model.** Of the 25 schools, 10 have become Emerging and 3 Model, and the intent is to make all 25 schools Model in the coming year.

Education intervention for Secondary and Higher Secondary children: The intervention focusses on girls in Classes 9th to 12th and addresses two segments: those who have dropped out and need to be mainstreamed, and those who are pursuing education in schools and need to be properly guided in planning their future.

→ In Tamil Nadu, **Project Puthri** launched during the year covered 443 girls from

4 schools that seek to create **Career Intentionality** among underprivileged girl students. The engagement starts in Class 8 and continues for 4 years till the girls complete their secondary education so that they not only continue their education, but are also able to choose a career suitable to them. The Project is implemented by involving mentors, role models, and career coaches who help the girls through support, guidance, motivation, and encouragement to become career-intentional for life.

→ In Munger, **Project Pragati** was initiated for out-of-school adolescent girls from low-income households to attain 10th Grade credentials through the open schools of the **Bihar Board of Open Schooling and Examination.** 511 girls were counselled and registered to take up the exam in December 2024, post-village-based learning camps.

→ In Kolkata, a similar programme enrolled 308 girls, including 53 dropouts. Apart from building their soft skills, eligible girls have also been encouraged to prepare and appear for their 10th exams through **National Open Schooling** in the coming year.

For the Education programme, ITC also has a partnership with the Women Development and Child Welfare Department, Government of Andhra Pradesh.

Background:

In a significant initiative aligned with the National Education Policy 2020, ITC, along with its partner NGO Pratham Education Foundation, collaborated with the Women Development and Child Welfare (WD&CW) Department of the Government of Andhra Pradesh to enhance the capacity of Integrated Child Development Services (ICDS) officials, supervisors, and Anganwadi Sevikas across 13 districts in the field of Early Childhood Care and Education (ECCE). This was a three-year partnership that was initiated in 2021.

Training and Capacity Building:

Over the past three years, 1,031 ICDS supervisors have undergone intensive training as Master Trainers. These Master Trainers then imparted knowledge to **25,708 Anganwadi Sevikas,** equipping them with essential skills. The training covered various aspects, including Activity-Based Teaching, Role Play, Assessment, Counselling, and creating Teaching-Learning Materials (TLM) using locally available resources. Trained Anganwadi Sevikas now dedicate 2–3 hours per day towards educating children in Anganwadis, along with a nutrition intervention strengthening the Government focus on Padhai Bhi, Poshan Bhi.

Holistic Development:

The partnership has positively impacted over **4.03 lakh children** during the 3 years of implementation by focussing on five holistic development domains: **physical, socio-emotional, language, maths, and cognitive development.** In 2023-24, 10,106 Anganwadi Sevikas underwent refresher training through a cascade methodology. **2.93 lakh children** benefited from the learning interventions in the current year, which included modules, digital content that can be used by Anganwadis and parents using mobile for activity-based learning, and school readiness activities. Parents also actively participated, gaining insights into their children's progress and then providing necessary support. A joint sample assessment by ITC partner NGO Pratham and the Government of over 22,700 children covered under the Programme across 1,040 Anganwadis has shown over 30% improvement in all three dimensions of cognitive ability, language, and numeracy.

Best Practices:

→ A State-level resource group of 26 experts of Child Development Project Officers (CDPOs) was created for training, handholding, and monitoring on ECCE, and over 1,030 Master Trainers among ICDS officials were created for cascading training to Anganwadis, which would ensure the continuation of the Programme even after phasing out.

→ Over **50,300 Mother Groups** were formed and strengthened by the Anganwadi Sevikas. These empowered groups actively engaged in activity-based learning, reinforcing learning outcomes. Regular remote learning videos and messages were shared with parents to bridge the learning gaps.

→ 1,040 Hub Anganwadi Centres were strengthened to serve as Model Centres. These Centres showcased best practices in holistic child development and inspired nearby Centres to replicate their success.

Scaling Up State-wide

Encouraged by the success in the 13 districts, the Government decided to expand the Programme to the entire State. Accordingly, a three-year Phase II Memorandum of Understanding (MoU) was signed in March 2024, covering 54,500 Anganwadi Sevikas. This expansion aims to benefit **16 lakh children** aged between 3 and 6 years across all 26 districts of Andhra Pradesh. The collaborative efforts of ITC and the Government of Andhra Pradesh, along with its implementation partner Pratham, are making a lasting impact on early childhood education, setting the stage for a brighter future for the State's young learners.

"With the backing of ITC and Pratham, I transitioned from feeling as an unskilled teacher, as I never got adequate training earlier on teaching, to becoming a proud Master Trainer in Early Childhood Education, earning recognition from the District Collector, and winning the 'Best Teacher Award'."

Ms. Amruthavalli Saroja, Anganwadi Sevika, Ankamma Nagar, Guntur.

Anganwadi teachers' training activities in Andhra Pradesh

Case Study

Expanding Early Childhood Care and Education in Andhra Pradesh:
A Collaborative Initiative with the Government

Skilling of Youth

The programme focusses on providing market-relevant skills to make potential job seekers industry-ready and employable. The programme is closely aligned with the **'Pradhan Mantri Kaushal Vikas Yojana (PMKVY)',** which aims to enable youth to take up industry-relevant skill training to help secure better livelihoods.

The programme is being implemented around ITC's factories and agri-business catchments in 33 districts of 16 States and has trained 12,500 youth during the year (**1.12 lakh** youth cumulatively), which includes 1,300 candidates trained through identified Government and other centres after mobilisation and counselling by ITC. In FY 2023-24, 31% of the youth enrolled were from the SC / ST communities, and **49% were female students.**

Training of female candidates on Solar in Electrical in Madhya Pradesh

The programme offered courses in eight skills, with the most sought-after courses being hospitality, electrical, computer skills, and bedside assistance. Candidates are helped in getting jobs in the market after completion of the training. Such earnings are not only helping youth to have better livelihoods but also enhancing their self-esteem and allowing them to contribute to the well-being of their family.

During the year, vocational skilling at the community level in the village itself was initiated in Maharashtra, Madhya Pradesh, Tamil Nadu, Telangana, and Uttar Pradesh to enable and encourage especially women to join the skill training, including married women of age under 30 years, as they were not able to travel to skilling centres in nearby towns due to the unavailability of public transport and the high cost of transport. Government infrastructure in the villages was leveraged to set up decentralised training centres. 254 candidates including 198 women, were trained in skills related to roles like Assistant Electrician, Call Centre Executive (CCE), Domestic Data Entry Operator (ITeS), and Retail Executive during the year under this approach.

During the year, skilling intervention for **persons with disabilities** continued in Bengaluru and expanded to Kolkata and Howrah, training 198 youth with locomotor disabilities, taking the cumulative to 216. Apart from the technical domain, training also is provided on soft skills and confidence building. After training, candidates are assisted in getting jobs, and about 60% were already placed as of March 2024.

Public Health

Sanitation and Waste Management

Access to Sanitation – Household and Community

The programme focussed on ensuring access to toilets, including the construction of community toilets for households with space constraints and retrofitting for twin pits with Swachh Bharat Mission (SBM) support in households where single pit toilets were constructed earlier.

During the year, **62 community toilets and 4,200 individual toilets (IHHTs)** were constructed and retrofitting was done for 191 toilets. Tracking of Operations and Maintenance of existing community toilets was also done, along with **behaviour change communication** to ensure the sustenance of Open-Defecation-Free (ODF) catchments. Cumulatively, **219 community toilets** and over **43,800 household toilets** have been constructed until March 2024.

Waste Management

The Company's waste recycling programme, **'WOW: Well Being Out of Waste',** enables the creation of a clean and green environment and promotes sustainable livelihoods for waste collectors. During the year, the programme continued to be executed in Bengaluru, Chennai, Coimbatore, Delhi, Hyderabad, Mysuru, the major towns of Telangana, and several districts of Andhra Pradesh. The quantum of dry waste collected during the year was about **63,700 MT** from over 1,500 wards. Since its inception, the programme have covered over **2.56 crores citizens across 64 lakh households, 67 lakh school children** and around 2,200 corporates. It has also promoted sustainable livelihoods for over 17,800 waste collectors by facilitating an effective collection system in collaboration with Municipal Corporations. The intervention has also created over 150 social entrepreneurs who are involved in maximising value capture from the collected dry waste.

MSK's Decentralised Solid Waste Management (SWM): The primary focus of this programme is on source segregation and minimising waste in landfill. The programme is operational in 10 States. During the year, the focus was on ensuring impactful execution of the amplification partnerships in towns, villages, and temples. The programme was done in collaboration with Panchayats and Urban Local Bodies (ULBs) under the Swachh Bharat Mission, covering over **25 lakh new households** and cumulatively covering over **50.59 lakh households** in urban and rural areas, details of which are given below.

The focus on decentralised community-owned waste management continued with the formation of household clusters and encouraging home composting to push waste management closer to the generator to minimise environmental impact and associated costs. The number of Mohalla Committees paying the waste collectors has been sustained over the years, while in some locations, the local Government is paying the waste collectors directly. Rs. 160 million was collected during the year by the Mohalla Committees and Gram Panchayats as revenue from the household levy, the sale of compost, and recyclables, which went towards meeting part of the administration and overhead costs in running the programme. The waste collectors also benefit from the sale of recyclables, which is an additional source of income for them, apart from the monthly amount paid to them by the Mohalla Committees from the user fee collected.

Under the programme, more than **4 lakh MT of waste** was collected during FY 2023-24 in collaboration with Panchayats and ULBs, out of which around 2.5 lakh MT of wet waste was composted and 90,000 MT of dry waste recycled. Thus, 87% of the total waste was avoided from being sent to landfills through home composting, cluster composting, and recycling. Of the total recyclable waste collected, over 4,000 MT was plastic waste, including 930 MT of Multi Layered Plastic (MLP).

Urban Waste Management: The **PPP with the Uttar Pradesh Urban Development Department** entered its second phase during the year with 25 new Urban Local Bodies (ULBs), taking the total to 85 ULBs across 75 districts of the State. Under this PPP, ITC is training ULBs in setting up decentralised waste management systems to create garbage-free cities and encouraging households to pay for their waste management. After training, handholding support is also provided to ULBs for rolling out and monitoring the intervention. 16 lakh households have been covered by ULBs after training in FY 2023-24 (cumulatively 28.54 lakh), and 12,364 Mohalla Committees have been formed to participate in and monitor the waste management programme.

As part of the PPP, a waste management programme was also initiated in 56 wards of Ayodhya, where over 206 Mohalla Committees were formed who helped over 55,000 households to manage their waste. During the year, **ITC worked very closely with the Ayodhya Municipal Corporation** to ensure that adequate measures were undertaken for waste management during the inauguration of the Temple. 200 plastic collection banks, 1,050 dustbins (all made of recycled plastic), 6 Biogas, and 20 community composters were installed for plastic and biodegradable waste management. Intensive awareness programmes with the community, Market

Meeting of Mohalla Committee for Waste Management programme in Maharashtra

Committees, and devotees were conducted to ensure cleanliness at all places and to help devotees take these messages on waste management back to their communities.

Rural Waste Management (RWM): Ganga Gram Rural SWM PPP with Lohiya Swachh Bihar Abhiyan of Bihar Government, other similar PPPs, and regular programmes continued with capacity building of Panchayats and households across 10 States. Community engagement and ownership by them is one of the key tenets of the waste management programme at ITC. Community champions are created to help households and Panchayats adopt the practices. During the year, one such champion, Ms. Apsia Bano, from a village under SWM PPP with Mysuru Zila Panchayat, was selected and awarded as a **Women Change Maker by FICCI- India Sanitation Coalition during the Sanitation Conclave in Delhi.**

The **Green Temple** initiative is a closed-loop waste management model involving the processing of waste generated in places of worship to provide biogas to the temple kitchens and compost for its gardens. During the year, the initiative was expanded to over 490 places of worship (cumulatively over 1,450).

An important element of ITC's intervention is the **well-being of waste collectors**, as they play a critical role in the entire value chain, and their efficiency and effectiveness are critical to the sustenance of any intervention related to waste management.

Waste collectors, vital for cleanliness, often face daunting challenges—health hazards, economic instability, and social marginalisation. To uplift their livelihoods, ITC initiated a comprehensive waste collector wellbeing programme.
A survey was conducted to identify the diverse challenges faced by waste collectors. Accordingly, ITC designed a comprehensive well-being programme focussing on economic, social, and financial aspects with tailored interventions that included economic empowerment, social security enhancement, financial planning, healthcare access, education, and community engagement.

ITC conducted various training programmes and organised camps in collaboration with the Government for the following interventions:

→ **Economic Empowerment:** Waste collectors were encouraged and facilitated the taking up of supplementary income activities for additional livelihoods as waste collection is only a 3–5-hour job. They were trained to take up part-time jobs or start a microenterprise like vegetable vending. They were linked with banks for taking up loans.

→ **Social Security Enhancement and Health Care:** Healthcare coverage and linkages to Government schemes were done by organising special camps with the Health Department for annual health check-ups and the Social Welfare and Employment Departments for scheme linkages.

→ **Financial Planning and Welfare:** Financial Literacy (FL) training was provided to them to help them plan their finances judicially. Female waste collection workers or women members of families of waste collectors were linked with Self-Help Groups.

→ **Education:** 120 children of waste collectors who were out of school were mainstreamed in schools after counselling sessions with families. A mechanism for handholding support was created to ensure that they did not drop out of school.

Over 2,800 waste collectors were covered during the year through the wellbeing programme. A positive outcome has been observed across all locations of the ITC waste management programme, with improvements in income, health, and social inclusion.

Intervention	Baseline (in %)	Endline (in %)
Having Bank Account	74	99.6
Having Health Insurance	26	53
Having Ration Card	70	93
Medical Check Up	18	81
FL Training	29	72

Adding the well-being of waste collector to the waste management programme is not only helping marginalised groups and empowering them, but also facilitating their inclusivity.

Medical check-up of waste collector in Uttar Pradesh

Waste collector using PPEs and sanitising Hospital premises

Case Study

Empowering Waste Collectors
Enhancing their wellbeing

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Health and Nutrition

After starting with the Mother and Child Health initiative in FY 2016-17, ITC is now adopting a holistic approach focusing on two major components: **preventive health care and curative services.** The objective of the initiative is to improve health and nutrition by strengthening institutional capacity, supplementing existing infrastructure, promoting greater convergence with existing government schemes, leveraging technology, and increasing access to basic primary and secondary healthcare services.

Mobile Medicare Unit (MMU) in Bihar

Mother & Child Health and Nutrition (MCHN)

The programme is aimed at improving the health-nutrition status of pregnant and lactating mothers, children (up to 5 years), adolescent girls, and eligible couples by creating awareness and strengthening the government delivery system by following the intensive **1,000-day approach,** demonstrating best practices through Hub (Model) Anganwadis, and focussing on localised nutrition with **5 Food Groups of locally grown foods.** The programme is implemented in Socio-Demographic Index areas where malnutrition is very high.

Minimum Dietary Diversity (MDD) for localized nutrition - 5 food groups

Around **13.07 lakh beneficiaries** were covered under the programme (including in Assam Public Private Partnership) through more than 2,600 awareness camps by promoting greater convergence with existing government schemes.

ITC has been collaborating with the Directorate of Social Welfare, Government of Assam, to help address the challenges of malnutrition in 8 districts, including 7 Aspirational Districts in the State. In this partnership, 541 Integrated Child Development Services supervisors were trained during the year, who in turn cascaded it to 15,883 Anganwadis.

Trained Anganwadi Sevikas created awareness among 9.50 lakh pregnant women, mothers, and adolescents in the areas of antenatal check-ups, preventive vaccinations, timely and proper breastfeeding, nutrition management through locally available 5 Food Groups, including Millets, and promoting hygienic practices. Additionally, this year, ITC has entered into a partnership with the Child Development Services and Nutrition Department in Saharanpur, Uttar Pradesh, to build the capability of Anganwadi Sevikas in promoting Maternal and Child Health and creating awareness on nutrition by focussing on the first 1,000 days of life. This is a unique partnership comprehensively focussing on both Early Childhood Care and Education and nutrition, in line with the government's focus on **Padhai Bhi, Poshan Bhi.**

In addition to the intensive 1,000-day approach, special focus on addressing anaemia among all age groups was initiated during the year in some of the ITC catchments.

~14.61 lakh beneficiaries

covered through 2,600 awareness camps

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Addressing the burden of malnutrition is a top priority for ITC's Maternal and Child Health and Nutrition (MCHN) Programme in selected catchment areas. However, it has become evident that anaemia among women and children is also on the rise. Anaemia not only affects health during childhood, but can also have long-term chronic effects that persist into adulthood. According to the National Family Health Survey (NFHS) 5 (2019-21) data, in India, **67.1% of children, 59.1% of adolescents,** and **57% of all women of reproductive age** are anaemic.

Recognising the urgency of this issue, MSK has started an initiative to reduce anaemia in critical catchment areas. The focus is on strengthening preventive and promotive aspects of health among children, adolescents, and women. ITC collaborated with and supported Government programmes such as **Anaemia Mukt Bharat, Rashtriya Bal Swasthya Karyakram (RBSK), and Integrated Child Development Services (ICDS)** to scale up

Case Study

Scaling Up of

Anaemia & Malnutrition Prevention in ITC Catchments

efforts to address anaemia in a closed-loop approach of mobilising, screening, treating, and linkages. The key areas of intervention included:

Improving coverage of services:
→ Mobilising beneficiaries for anaemia screening, Hb (haemoglobin) tests, and BMI (Body Mass Index) assessment.
→ Organising joint anaemia screening camps at schools and in the community, in collaboration with Anaemia Mukt Bharat and RBSK.
→ Providing digital instruments (both invasive and non-invasive) for Hb testing.

This enabled higher screening and thus helped identify hidden anaemia cases among women, adolescent girls, and children in the community.

Linkages with Health Department:
Establishing a strong linkage with the Health Department for **IFA (Iron and Folic Acid) supplementation** and further treatment for individuals detected with mild, moderate, or severe anaemia.

Counselling Sessions:
Conducting counselling sessions with adolescents to address anxiety and fear related to Iron and Folic Acid (IFA) supplementation.

Promoting Balanced Diets:
Encouraging the **"My Plate for the Day"** concept in family diets, recommending macro and micronutrients from a minimum of 5 Food Groups available locally, including Millets.

Maternal Education and Skills Improvement:
Educating and enhancing the skills of mothers to provide adequate nutrition to their children. Demonstrations of the 5 Food Groups are conducted within the community.

Over 36,000 beneficiaries have been screened for anaemia, and those with severe anaemia have been referred to the health system for supplementation and treatment. Follow-up is carried out at the household level. Additionally, children with Severe Acute Malnutrition (SAM) are referred to Nutrition Rehabilitation Camps (NRCs) with the help of ICDS. Post-NRC follow-up is also conducted.

Screening camp under Mother & Child Health and Nutrition programme in Assam

ITC's **Swasthya Choupal** initiative continued to enhance awareness on various health related issues through a network of 365 women **Village Health Champions (VHCs),** who reached out to nearly **1.54 lakh women and adolescent girls** during the year. The programme is operational in six districts of Uttar Pradesh and two districts of Madhya Pradesh. The VHCs conducted group meetings, school activities, and door-to-door visits in the villages, focussing on aspects like sanitation, **menstrual and personal hygiene,** family planning, diarrhoea prevention, and nutrition, apart from providing access to related products and thus also having a supplementary income.

Overall, ITC's mother and child health and nutrition programme covered **14.61 lakh** beneficiaries during the year.

Healthcare

ITC has taken up several healthcare interventions in a phased manner to bridge the gaps in primary and secondary healthcare delivery and to address the challenges of **awareness, availability, accessibility, and affordability.**

The ITC Swaasth Kiran initiative in Saharanpur (Uttar Pradesh) and Munger (Bihar) aims to improve the health status of the community by providing affordable access to primary healthcare services at the doorstep of rural communities with support from and in close coordination with Health Departments of their respective districts. Apart from primary curative health services, this intervention also encompasses preventive healthcare by driving behaviour change through awareness creation.

5 Mobile Medical Units (MMU) were added (3 in Saharanpur and 2 in Munger) during FY 2023-24, thus taking the total operational **MMUs to 13.** Each MMU is manned by a team comprising an MBBS Doctor, a Nurse, a Pharmacist, and a Community Mobiliser. These MMUs, equipped with medicines and basic medical equipment for screening diseases, provide free medical consultation and medicines to the community at their doorstep. During the year, more than **1.74 lakh individual engagements** were made with community members, 58% of which were with women, across over **800 villages.** Further, 22,500 diagnostic tests were conducted, and 5,200 referrals were made during the year.

Understanding the need for high-quality doorstep eye care for the community, ITC has also initiated an innovative intervention for eye care under which two **Mobile Vision Units (MVU)** were pressed into service in rural Saharanpur. These MVUs equipped with high-end ophthalmic equipment can screen and diagnose eye ailments such as **Cataract, Diabetic Retinopathy, Glaucoma,** and other diseases. A team of rural youth have been trained and engaged as Community Screeners who screen community members at their doorstep through a mobile application and direct the affected persons to the MVUs for further examination and check-ups. During the year, more than **91,000 community members** were screened, 2,685 people advised prescription eyeglasses, more than 1,500 cataracts were detected, and nearly 500 cataract surgeries were facilitated. The intervention also diagnosed 362 cases of Diabetic Retinopathy and 158 cases of Glaucoma, which were referred to a partner

Mobile Vision Unit (MVU) in Uttar Pradesh

hospital for further management. The unavailability of skilled human resources is an issue in eye care delivery. Recognising this need, ITC is facilitating the training of 78 girls from Saharanpur district through a 2-year programme called the **Certified Ophthalmic Paramedic (COP)** course. They are getting trained at Dr. Shroff Eye Hospital Saharanpur. This programme will offer quality livelihood opportunities to these girls in eye hospitals, clinics, optical stores, etc.

Primary Health Centres (PHCs) and Sub-Centres play a very important role in preventive healthcare and are the most reliable primary care source for households from the socio-economically weaker sections. Infrastructure upgradation aligned to **Indian Public Health Standards** were taken up in the catchments

that required such interventions. Through the intervention, 10 PHCs were supported with infrastructure and equipment during FY 2023-24 and 14 PHCs to date. A special focus was given to activating **Rogi Kalyan Committees,** which ensures the participation of the community and enables post-project maintenance of the infrastructure.

Additionally, ITC provided support to the national campaign to eradicate Tuberculosis - **Pradhan Mantri TB Mukt Bharat Abhiyaan** by the Ministry of Health & Family Welfare. After the first phase of intervention in Saharanpur and Munger, ITC continued its support, and 1,500 Tuberculosis patients in each of the two locations were provided prescribed nutritional food kits during the year for the requisite duration.

Women Empowerment

Coverage of women is a major focus area of ITC's Social development Programmes, and to date, over **6 million women** have been reached out to through various interventions like SHGs, Financial Literacy, and Microenterprise; Education and Skilling; Climate Smart Agriculture and Natural Resource Management; Waste Management, Health and Nutrition.

The programme is premised on four pillars, i.e., **SHG Linkages, Financial Literacy, Social Security, and Livelihoods,** and is designed to provide a range of gainful entrepreneurial opportunities to poor women and support them with financial assistance through loans and grants. Strong market linkages are attempted to ensure long-term sustenance. This initiative is closely aligned with the **'National Rural Livelihoods Missions'** of the Government, which aim to support women to diversify their livelihoods and improve their incomes and quality of life.

Yojana Sakhi operating to support women in Madhya Pradesh

Sakhis:

A self-sustaining women's cadre of service providers **(like Krishi Sakhi, Pashu Sakhi, Yojana Sakhi, and Health Sakhi)** is built, and they are trained to help other women in scheme linkages, improvement in health, and livelihood. This is planned in such a way that it also helps in strengthening the livelihoods of the Sakhis through income generated from services provided to the community.

Ultra poor woman running her enterprise in Telangana

Self Help Groups (SHGs): 757 SHGs were newly formed with 8,300 women in FY 2023-24 taking the total SHGs to over 7,300, covering 88,400 women. The existing and new SHGs together **leveraged ₹18 million** from banks during the year.

Socio Economic Mainstreaming of Ultra Poor Women:

The programme has been operational in 5 districts of Telangana, West Bengal, Uttarakhand, and Uttar Pradesh during the year and has cumulatively impacted more than **36,900 women.** These are the Ultra-Poor women (women from the poorest sections of the community who have an annual income less than ₹30,000, with no possession of assets, and not having any able-bodied male member working in the family), shouldering the responsibility of heading the family. They benefit from structured programme as depicted below, thus helping them to move out of abject poverty.
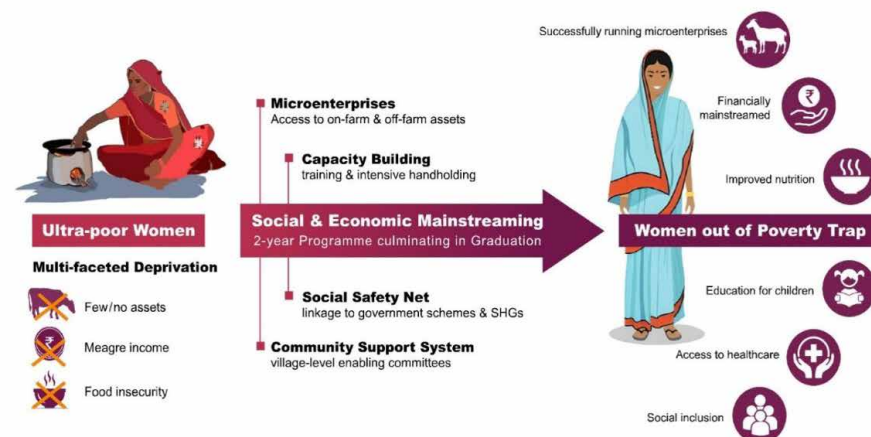
Financial Inclusion:

The financial literacy and inclusion project, in partnership with the Madhya Pradesh State Rural Livelihood Mission (MPSRLM) and the CRISIL Foundation, continued in its second phase, covering all 52 districts of Madhya Pradesh. 2,013 Master Trainers were trained directly, who thereafter cascaded it to over 63,000 Self-Help-Groups (SHGs), covering more than **6.2 lakh women** during the year. Basis the learnings in Madhya Pradesh, the programme also started in other states, namely, Andhra Pradesh, Assam, Bihar, Gujarat, Himachal Pradesh, Karnataka, Odisha, Punjab, Rajasthan, Tamil Nadu, Telangana, Uttar Pradesh, Uttarakhand, and West Bengal. The programme has covered over 80,400 SHGs, benefitting over 8.09 lakh women, thus cumulatively covering over **2.90 lakh SHGs** benefiting over **28.50 lakh women.** To date, over 24 lakh trained women have also been provided access to bank accounts and Government social security schemes, of which over 7 lakh were in FY 2023-24.

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Anita Sahu, affectionately known as "Didi" by the villagers of Dhamnod in the Vidisha district of Madhya Pradesh, embarked on a transformative journey that defied societal norms and expectations. Her path was fraught with challenges, but her unwavering determination and the encouraging support of her husband fuelled her remarkable transformation. Anita's journey began under significant financial and social strain. She got married early and had a family of five members, which included her husband, two sons and a daughter. She also had an extended family of elderly members. Elderly members opposed the idea of female members leaving home to pursue work opportunities. Despite these obstacles, Anita remained steadfast in her resolve. Anita joined the Self-Help Group (SHG) of the Madhya Pradesh State Rural Livelihood Mission. Her hard work paid off when she was selected as a Master Trainer under the Financial Literacy Programme. Rigorous training under ITC's initiative equipped her with essential financial knowledge.

Case Study

From Home-Maker to Change-Maker:

The Remarkable Journey of Anita Sahu

Subsequently, Anita became a **Yojana Sakhi,** a service-providing cadre promoted by ITC, facilitating the awareness and linkages of Government schemes like Pradhan Mantri Suraksha Bima Yojana and Jeevan Roshni Yojana for SHG members. Anita's resourcefulness led to tangible improvements in her community. Families gained access to financial services, healthcare, and education. Anita's leadership resulted in the formation of 708 Self-Help-Groups across 18 villages. She also established a **Community Service Centre** (CSC) using her earnings from the Yojana Sakhi programme. She facilitated citizens' enrollment in various Government schemes, including savings accounts, insurance, and welfare programmes, which included:

→ 143 Savings Bank accounts, 154 PM Jan Dhan Yojana (PMJDY) accounts, over 500 linked with insurance, 40 under Sukanya Samriddhi Yojana, 153 PAN Cards, 650 vaccination card registrations, linking 40 women with the Ujjawala scheme, 525 E-shram card, and linking 20 women with the Vishwakarma scheme.

Anita today contributes about ₹15,000 per month to the family income earned through Yojana Sakhi, CSC, and as a Community Resource Person of the State Rural Livelihood Mission. She had invested ₹40,000 for purchasing a laptop and ₹25,000 for her business at CSC. She ensured that her daughter continued her education. The daughter is doing post-graduation, and the son is pursuing graduation. She has received an appreciation certificate from the Chief Executive Officer, Zila Panchayat, Vidisha, for her work in the district. Her daughter's wedding was debt-free, and her husband's grocery shop thrived. Villagers affectionately recognise her as "Anita Di."

Anita Sahu's story exemplifies the transformative power of determination and community empowerment. She not only improved her family's livelihood, but also ignited progress and hope throughout her village. As a respected leader and changemaker, Anita is influencing and inspiring the lives of those around her. Anita's journey serves as an inspiration to all, reminding us that resilience and compassion can create lasting change.

As per Anita, "People today know me and respect me for the work I do. I have motivated many women to embrace change and pursue their dreams through financial independence."

Yojana Sakhi Anita Sahu with other SHG members

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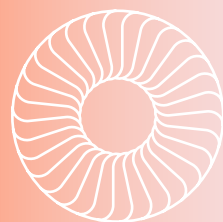
Road Ahead

As discussed in SIP's approach section, ITC's CSR programmes follow a bottom-up approach and keep community needs and priorities at the centre while also focussing on organisational and national priorities.

Programme priorities are defined by three key drivers with certain levels of overlap and alignment in the needs and priorities of each of the identified stakeholders.

1. **Organisational Priorities and strategic pillars, including those aligned to Sustainability 2.0**

2. **National Priorities**

3. **Community Priorities identified through the Core Area Perspective Plan (CAPP) 2.0 study and other surveys and engagements**

The convergence of the needs and priorities of the stakeholders will continue to be the basis for further strengthening ITC's Two Horizon approach and making it more holistic and comprehensive, with a special focus on vulnerable and underprivileged sections of society, including women.

The programmes will focus on amplifying the outcomes through synergistic effects through convergence of benefits received by a household under multiple interventions, thus creating model habitations.

Awards and Recognition received by ITC's Social Investment Programme in FY 2023-24

🏆 Winner of the **1st UNDP-Mahatma Biodiversity Award** for "Human-Centric Approaches to Biodiversity"

🏆 'Winner' under the **'Empowerment (large corporate) category'** for its Targeting Hardcore Poor (THP) Programme in the Second edition of the Social Leadership Awards organised by the Bengal Chamber of Commerce & Industry.

ITC receiving UNDP-Mahatma Biodiversity Award

Publications done during FY 2023-24

▌ **2 Case Studies on Plastic Waste Management** interventions in the **India Sanitation Coalition,** FICCI Compendium Business of Change on **'Cities in Crisis: Best Practices on Curbing Plastic Waste Across Urban India'**

▌ Paper on **Self-Help Groups Managing Waste in Rural Areas of Mysuru** selected at **13th International Conference on Sustainable Waste Management, Circular Economy, and IPLA Global Forum**

▌ Paper on **'ITC's Water Stewardship Programme: Community-Centric Ecosystems Approach for Water Positive Catchments',** accepted b-y the Centre for Ground Water Studies for an International Seminar on **'Impact on Groundwater of Climate Change: Successful Mitigation Solutions'**

▌ ITC's **Water Stewardship Programme in Coimbatore** to Ensure Water for All—Today and Tomorrow was published by the Confederation of Indian Industries (CII) in **Climate Change and Water – Compendium on Good Practices by India Inc.**

▌ **3 Research Posters** selected for presentation at **Public Policy Dialogues 2024** by the **Bharti Institute of Public Policy at the Indian School of Business, Hyderabad**
→ Support to Education for Learning Level Improvement
→ Partnerships for Sustenance and Scale
→ Holistic Development of the Poorest of the Poor Women

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Creating Enduring Institutions

ITC Sangeet Research Academy

The ITC Sangeet Research Academy (ITC SRA), established in 1977, is an embodiment of ITC's sustained commitment to a priceless national heritage. This commitment towards ensuring **enduring excellence in Classical Music education** continues to drive ITC SRA in furthering its objective of preserving and propagating Hindustani classical music based on the age-old principle of **'Guru-Shishya Parampara'**. The eminent Gurus of the Academy impart intensive training and quality education in Hindustani classical music to the scholars. The present Gurus of the Academy include **Padma Bhushan Pandit Ajoy Chakrabarty, Padmashri Pandit Ulhas Kashalkar, Pandit Partha Chatterjee, Pandit Uday Bhawalkar, Vidushi Subhra Guha, Shri Omkar Dadarkar, Shri Abir Hossain, and Shri Brajeswar Mukherjee.**

The Academy's focus continues to be on nurturing exceptionally gifted students selected from across the country through a system of multi-level auditions. Full scholarship is provided to them to reside and pursue music education in the Academy's campus and in other designated locations under the tutelage of the country's most distinguished musicians. During the year, through collaborations with organisers all over the country, the Academy also presented its Scholars and young musicians in **ITC Mini**

Sangeet Sammelans, Concerts, and Baithaks in cities like Ahmedabad, Chennai, Dehradun, Kanpur, Vadodara etc., enabling the Academy to fulfil its avowed objective of preserving and propagating Hindustani Classical Music. The creation of the next generation of masters of Hindustani classical music for the propagation of a precious legacy continues to be the Academy's objective.

ITC Sangeet Research Academy

Aligned SDGs	SIP Themes	Key Indicators to which MSK works contribute
SDG 1	Climate Smart Agri, Livestock & Women	**1.2**: Reduce poverty | **1.3**: Social Protection Systems for all | **1.4**: Equal rights to economic resources to vulnerable | **1.5**: Build resilience of poor and vulnerable
SDG 2	Climate Smart Agri, Livestock & Women	**2.2**: End all forms of malnutrition | **2.3**: Agricultural productivity & incomes | **2.4**: Sustainable & resilient agri
SDG 3	Public Health: Sanitation and Health & Nutrition	**3.1**: Reduce maternal mortality | **3.2**: End new-born / neonatal & under-5 mortality | **3.3**: End epidemics & communicable diseases | **3.4**: Reduce premature mortality | **3.7**: Access to sexual & reproductive health-care
SDG 4	Support to Education & Skilling of Youth	**4.1**: Quality education & learning outcomes | **4.2**: Quality early childhood | **4.3**: Quality vocational education | **4.4**: Vocational skills & jobs | **4.5**: Education & vocational training for vulnerable | **4.a**: Gender sensitive education
SDG 5	Women Empowerment	**5.5:** Women leadership opportunities | **5.a**: Women rights to ownership | **5.b**: Technology for women empowerment | **5.c**: Sound policies for equality and empowerment
SDG 6	Water Stewardship, Sanitation, School WASH (PE)	**6.1**: Safe drinking water | **6.2**: Access to sanitation and hygiene | **6.4**: Water-use efficiency | **6.5**: Water resources management | **6.6**: Protect water-related ecosystems | **6.a & 6.b**: Capacity building & community participation
SDG 7	Climate Smart Agri - solar pumps, Livestock - biogas units	**7.2:** Renewable Energy
SDG 8	Skilling of Youth and Women Empowerment	**8.3**: Job creation | **8.5**: Employment & decent work for all | **8.6**: Reduce youth unemployment
SDG 9	Climate Smart Agriculture, Women Empowerment, Support to Education and Sanitation	**9.1**: Affordable and equitable access for all to resilient infrastructure for economic development and human well-being | **9.3**: Access of small-scale industrial and other enterprises to financial services and their integration into value chains and markets
SDG 10	Women Empowerment, Support to Education, Skilling of Youth	**10.1**: Income growth of the bottom 40 per cent of the population at a rate higher than the national average | **10.2**: Empower and promote the social economic and political inclusion of all | **10.3**: Ensure equal opportunity and reduce inequalities of outcome
SDG 11	Public Health: Sanitation	**11.6**: Air quality & waste management
SDG 12	Natural Resource Management - Soil, Water & Biodiversity; Waste Management	**12.2**: Achieve the sustainable management and efficient use of natural resources | **12.5**: Substantially reduce waste generation through prevention, reduction, recycling and reuse | **12.6**: Adopt sustainable practices and to integrate sustainability information into their reporting cycle
SDG 13	All Horizon - I themes	**13.1**: Resilience & adaption to climate-hazards | **13.2**: Policies, strategies, and plans | **13.3**: Climate Change education
SDG 14	Waste Management	**14.1**: Prevent and significantly reduce marine pollution of all kinds, in particular from land-based activities, including marine debris and nutrient pollution
SDG 15	Social Forestry, Water Stewardship, Biodiversity Conservation and Climate Smart Agriculture	**15.1**: Sustainable ecosystems | **15.2**: Restore degraded forests & afforestation | **15.3**: Combat desertification | **15.9**: Ecosystem & biodiversity planning
SDG 16	Social Forestry, Water Stewardship, Climate Smart Agriculture, Support to Education, Women Empowerment, Health & Nutrition	**16.6**: Develop effective, accountable and transparent institutions at all levels | **16.7**: Ensure responsive, inclusive, participatory and representative decision-making at all levels | **16.9**: Provide legal identity for all, including birth registration
SDG 17	Water Stewardship, Biodiversity Conservation, Climate Smart Agriculture, Support to Education, Public Health: Sanitation and Health & Nutrition, Women Empowerment	**17.16**: Enhance global partnership for sustainable development, complemented by multi-stakeholder partnerships to support the achievement of the sustainable development goals | **17.17**: Encourage and promote effective public, public-private and civil society partnerships

Contribution to UN SDGs

The Company's triple bottom line philosophy is deeply embedded in its Corporate Strategy, thus enabling innovative business models that create economic, environmental, and social capital and contribute favourably to the United Nations' Sustainable Development Goals (UN SDGs). ITC's Sustainability 2.0 ambitions and priorities are aligned with UN SDG targets, and a mapping of the Sustainability 2.0 priorities and the contribution of major related interventions to the UN SDG targets is given below.

SDG / SDG Target		Select Interventions by ITC
1 NO POVERTY	**1.2:** Reduce poverty **1.3:** Social protection systems for all	ITC's 'Triple Bottomline' approach has enabled support for sustainable livelihoods for 6 million people to date and has a target to support 10 million sustainable livelihoods by 2030 The Two Horizon approach focusses on social and economic empowerment of the vulnerable, especially those residing in rural areas, or urban areas with inadequate infrastructure **Page 160** *Mission Sunehra Kal for Sustainable and Inclusive Growth*
	1.4: Equal rights to economic resources to vulnerable	The Women Economic Empowerment Programme has benefitted around 192,000 women and has a target of enhancing the support for 250,000 women by 2030 Additionally, over 2.85 million women have been covered under financial literacy interventions resulting in enhanced linkages to savings, insurance, social security, and credit
	1.5: Build resilience of poor and vulnerable	ITC's Climate Smart Agriculture programme covered 2.79 million acres during the year, and Farm and Social Forestry programmes over 1.16 million acres to date have enabled higher returns to farmers and diversification of farm portfolios of small / marginal farmers and rural households
2 ZERO HUNGER	**2.2:** End all forms of malnutrition	ITC's Mother and Child Health initiative is aligned with India's commitments towards the 'Saksham Anganwadi and Poshan 2.0' programme and addresses the challenges of malnutrition in children, adolescent girls, pregnant women, and lactating mothers Under its Nutrition Strategy -"Help India Eat Better," ITC has nurtured an ecosystem of a 4-pillar model to support a healthier nation. These are: 1) Value-added Products Portfolio, 2) Sustainable Food Ecosystem, 3) Healthy Communities, and 4) Employee and Consumer Awareness

SDG / SDG Target		Select Interventions by ITC
2 ZERO HUNGER	**2.3:** Agricultural productivity and incomes	ITCMAARS (Meta Market for Advanced Agricultural Services) - a crop agnostic 'phygital' eco-system has been launched in 10 States with over 1.5 million farmers empowered through 1660 FPOs
	2.4: Sustainable food production system and resilient agriculture	ITC's Climate Smart Agriculture programme covered 2.79 million acres impacting over 1.05 million farmers during the year across 19 States against the target of 4 million acres by 2030.
3 GOOD HEALTH AND WELL-BEING	**3.1:** Reduce the global maternal mortality **3.2:** End preventable deaths of new-borns and children under 5 years of age **3.4:** Reduce premature mortality	'Mother and Child Health Nutrition' (MCHN) initiatives aimed at improving the health-nutrition status of women, adolescents and children have benefitted over 1.46 million beneficiaries 13 Mobile Medical Units (MMUs) were operational during the year, equipped with medicines and basic medical equipment, and made more than 174,000 individual engagements with community members across over 800 villages during the year Also, initiated intervention for eye care under which 2 Mobile Vision Units (MVU) were pressed into service in rural Saharanpur. During the year, more than 91,000 community members were screened, 2,685 people advised prescription eyeglasses, more than 1,500 cataracts were detected, and nearly 500 cataract surgeries were facilitated. The intervention also diagnosed 362 cases of Diabetic Retinopathy and 158 cases of Glaucoma, which were referred to a partner hospital for further management
	3.7: Ensure universal access to sexual and reproductive healthcare services	ITC's 'Swasthya Choupal Initiative', for creating awareness on sanitation, menstrual and personal hygiene, family planning, nutrition, and providing access to related products has reached out to 154,000 women and adolescent girls during FY 2023-24 through 365 women Village Health Champions (VHCs)

SDG / SDG Target		Select Interventions by ITC
4 QUALITY EDUCATION	**4.1:** Quality education and learning outcomes **4.2:** Quality early education	The Primary Education Programme has enabled improvement in learning outcomes for over 1.53 million children to date. The education programme is targeting to cover 20 lakh children by 2030. Operational in 34 districts of 15 states, the Support to Education Programme covered over 410,000 children in FY 2023-24 During the year, over 11,700 Government school teachers and Anganwadi Sevikas were also trained on child-friendly pedagogy under the Support to Education Programme 125 Supplementary Learning Centres (SLCs) were operational during the year for mainstreaming of out of school children
	4.3: Quality vocational education **4.5:** Education and vocational training for vulnerable	The vocational programme has trained over 112,000 youth on market-relevant skills to date with a target of covering 225,000 youth by 2030 Training is provided in skills that are in demand in the market and includes practical training to enhance employability During enrollment, the focus is on girls and youth from the socially challenged sections of society In FY 2023-24, 31% of the youth enrolled were from the SC/ST communities and 49% were female students
	4.7: Knowledge and skills to promote Sustainable Development	In FY 2023-24, 24,567 employees and 12,745 workers across the Company were given formal training on various sustainable development aspects, including sustainability, health and safety
	4.8: Gender-sensitive education	*Refer SDG Target 5.1 & 5.5*
5 GENDER EQUALITY	**5.1** End of Discrimination Against Women	With more than 1900 women, ITC's ICML at Pudukkottai in Tamil Nadu engages a workforce with 70% women representation ITC's recruitment of talent from premiere campuses reflect diversity ratios superior to the prevailing norm in such institutions Gender-sensitisation and inclusive hiring workshops for managers across the organisation

SDG / SDG Target		Select Interventions by ITC
5 GENDER EQUALITY	**5.5:** Equal opportunities for leadership **5a:** Women's right to ownership **5b:** Technology for women empowerment	Women-focussed Leadership Development Programmes ITC's interventions focus on access to information and products related to finances, livelihood interventions, and access to physical resources like water and livestock Use of digital tools in areas like education, financial literacy, and maternal / child health which help women not only as beneficiaries but also as influencers As part of ITC's Climate Smart Agriculture Programme, through 755 exclusive Women Farmer Field Schools (FFS),scientific and technological best practices were disseminated to over 1.95 lakh women farmers during the year
6 CLEAN WATER AND SANITATION	**6.1:** Safe drinking water **6.2:** Access to sanitation and hygiene	Creating facilities and infrastructure for improving access to safe drinking water. Cumulatively, 219 community toilets and over 43,800 household toilets have been constructed till March 2024, benefitting over 122,000 people
	6.3: Reducing pollution, treatment, recycling, and safe reuse **6.4:** Increase water-use efficiency across all sectors	ITC Businesses target a 40% reduction in Specific Water Intake by 2030 ITC attained a leadership level 'A' score for Water Security from CDP 7 ITC sites have received Platinum-level Alliance for Water Stewardship (AWS) Certification. The target is to have AWS certification for 8 sites by 2024 and all high-risk sites by 2035 4 ITC Hotels have received LEED® Zero Water certification from the US Green Building Council The Demand Side Management of Water in Agriculture has benefitted farmers in close to 1.5 million acres across 12 states to date, resulting in an estimated potential savings of 1090 million kl of water in a year with a target of 2,000 million kl of water savings (annually) by 2030
	6.5: Integrated Water Resource Management	The Integrated Watershed Development Project is spread across 55 districts of 17 States in India Over 1.63 million acres are covered and over 32,400 water harvesting structures have been created, resulting in close to 54.26 million kl of rainwater harvesting (RWH) potential to date The target is to create 50,000 water harvesting structures over 2.2 million acres, resulting in an RWH potential of 60 million kl by 2030
	6.a & 6.b: Capacity building and community participation	Strengthening grassroots-level water governance through the creation of over 4,800 water-user groups, with more than 77,800 members to date. Similar institutions have been created in other interventions also

SDG / SDG Target		Select Interventions by ITC
[7 AFFORDABLE AND CLEAN ENERGY]	**7.2:** Share of renewable energy	2030 S2.0 Target achieved 7 years in advance: 50% of ITC's Energy Consumption from Renewable Sources. 51% of electricity requirements sourced from renewable sources in FY 2023-24 with a target of 100% by 2030 14 ITC Units met more than 90% of their electrical energy requirements from renewable sources in FY 2023-24
	7.3: Improvement in energy efficiency	Efficiency Improvement across ITC Businesses with a target of a 50% reduction in Specific GHG Emissions, and a 30% reduction in Specific Energy Consumption by 2030
[8 DECENT WORK AND ECONOMIC GROWTH]	**8.2:** Achieve higher levels of economic productivity **8.3:** Job creation **8.5:** Full and productive employment for all	ITC's unique portfolio of businesses has a growing presence across all three sectors of the economy: agriculture, manufacturing, and services • For FY 2023-24, Gross Revenue at ₹69,446.20 crores, while EBITDA stood at ₹24,479 crores • Profit Before Tax and Exceptional items at ₹26,323 crores grew by 6.7% over the previous year, and Profit After Tax stood at ₹20,422 crores which grew by 8.9% over the previous year • Earnings Per Share for the year stood at ₹16.39 (previous year ₹15.15) Apart from the creation of employment opportunities through core operations, ITC's interventions also provide livelihood and supplementary income opportunities including for women in rural India
	8.6: Reduce youth unemployment	ITC has a pan-India operational footprint of 200+ manufacturing locations and 130+ hotels, creating both direct and indirect employment opportunities for the youth of the country In FY 2023-24, ITC employed 40,409 full-time employees, of which 1,963 in the Leaf Tobacco Business were engaged on a seasonal basis, owing to the nature of the business. During this period, approximately 27,000 service provider employees were also engaged with ITC, in accordance with applicable statutes *Refer SDG Target 4.3, 4.4 & 4.5*
	8.7: Measures to reduce child labour, forced labour	ITC's Board-approved Policy on the Prohibition of Child Labour and Prevention of Forced Labour at the Workplace and Code of Conduct for Suppliers and Service Providers

SDG / SDG Target		Select Interventions by ITC
[8 DECENT WORK AND ECONOMIC GROWTH]	**8.8:** Protect labour rights and a safe work environment	Policies and practices in place to ensure enforcement of labour rights across the value chain: Board-approved Code of Conduct, Policy on Freedom of Association, Policy on Diversity, Equity and Inclusion, Policy on Environment, Health and Safety, and Code of Conduct for Suppliers and Service Providers Comprehensive EHS strategy founded on two pillars: 'Safety by Design' and 'Safety by Culture' EHS standards are benchmarked against international best practices across sectors in which ITC operates and implemented across all units
	8.9: Sustainable Tourism	ITC Hotels with its highest standards of hygiene and safety, a portfolio of world-class properties, iconic cuisine brands and best-in-class service levels anchored on the 'Responsible Luxury' ethos
[9 INDUSTRY, INNOVATION AND INFRASTRUCTURE]	**9.1:** Affordable and equitable access **9.2:** Inclusive and Sustainable Industrialisation	ITC's interventions enable equitable access to natural resources like water, physical resources like toilets, school infrastructure, financial resources like loans / credits and knowledge on agriculture, education, and health 200+ manufacturing locations across India 11 State-of-the-art Integrated Consumer Goods Manufacturing and Logistics facilities (ICMLs) across India, with focussed smart manufacturing interventions leveraging automation and Industry 4.0 technologies to drive operational efficiencies, yield, and energy management, and further enhance safety and quality
	9.3: Increase access of small-scale enterprises, integrate into value chains	ITC's diverse portfolio of products is anchored on inclusive agri- and forestry value chains with nearly 90% of raw materials being agri- and / forestry based, sourced from farmers
	9.4: Adoption of clean and environmentally sound technologies	40 buildings of the Company are Platinum rated green buildings by USGBC-LEED / IGBC With investments over the years, ITC has installed 205 MW of renewable energy assets across States **Page 65** *Sustainable and Climate-Resilient Agriculture*
	9.5: Enhance scientific research and encourage innovation	State-of-the-art ITC Life Sciences and Technology Centre (LSTC) in Bengaluru, with over 400 highly qualified scientists and over 800 patents filed to date R&D expenditure in the last five years of ₹ 818 crores

Approach to Sustainability 2.0

Environmental Stewardship

Social Stewardship - Sustainable & Inclusive Growth

Annexures

SDG / SDG Target		Select Interventions by ITC
10 REDUCED INEQUALITIES	**10.1:** Income growth of the bottom 40 per cent of the population	*Refer SDG Target 1.2, 1.4, 2.3, 2.4, 4.1, 4.2, 4.3, 4.4 & 4.5*
	10.2: Empower and promote the social, economic and political inclusion of all	*Refer SDG 1.3*
	10.3: Ensure equal opportunity	With every successive ICML coming onstream, the representation of women in the workforce has progressively increased. With more than 1900 women, ITC's ICML at Pudukkottai in Tamil Nadu engages a workforce with 70% women representation *Refer SDG Target 5.1 & 5.5*
11 SUSTAINABLE CITIES AND COMMUNITIES	**11.4:** Protect and safeguard the world's cultural and natural heritage	The ITC Sangeet Research Academy, established in 1977, is committed to preserving and propagating Hindustani classical music, a priceless national heritage
	11.6: Reduce the adverse environmental impact of cities	ITC's Solid Waste Management Programmes have covered around 11.4 million households to date, instilling behavioural change through door-to-door awareness campaigns to ensure segregation of waste at source • Well-Being Out of Waste' (WOW) programme: covering 25 million citizens, 63,700 tonnes of dry recyclable waste collected from 1,500 wards during FY 2023-24 • Mission Sunehra Kal's Solid Waste Management programme, spread across 33 districts in 10 States, focussing on waste segregation at source, collected over 400,000 tonnes of waste during FY 2023-24 and thus reduced waste going to landfill
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	**12.2:** Sustainable management and efficient use of natural resources	ITC's 'Triple Bottom Line' Philosophy, and abiding strategy of 'Responsible Competitiveness' has over the years spurred the creation of innovative business models that synergise the building of economic, environmental, and social capital Board-approved Policy on Resource Efficiency, and Policy on Product Responsibility *Refer to Targets under SDG 2, 6, 7, 9 & 13*

SDG / SDG Target		Select Interventions by ITC
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	**12.3:** Lowering food waste and loss	ITC's investments in Integrated Consumer Goods Manufacturing and Logistics facilities (ICMLs), strategically located close to agri-procurement catchments, help reduce agri-wastages
	12.4: Environmentally sound management throughout the lifecycle	Leveraging Life Cycle Assessments (LCA) of products and services since 2010 to identify areas for improvement across the value chain **Page 118** *Product Sustainability*
	12.5: Reduce waste generation	Over 99 % of total solid waste generated in ITC units is either reused or recycled
	12.6: Sustainability Reporting	Commitment to Transparent Sustainability Disclosures with 21 years of Sustainability Reporting (since 2004), in line with International and National Frameworks Additionally, ITC voluntarily responds to CDP Climate Change and Water Security Questionnaires and participates in the S&P Global Corporate Sustainability Assessment (CSA)
	12.8: Information and awareness on Sustainable Development and lifestyles	Creating purpose-led brand experiences for consumers: • Savlon Swasth India Mission's various campaigns on health and hygiene • ITC's Mission Millets is a millet-based product portfolio under its flagship brands of Aashirvaad Natures Super Foods (Ragi flour, multi-millet flour), Sunfeast Farmlite Super Millets cookies among other products under the value-added innovation portfolio. ITC Foods Division ensures the availability of online nutritional information for all its packs on various platforms like ITC stores, Brand websites, or E-commerce stores
13 CLIMATE ACTION	**13.1:** Strengthen resilience and adaptive capacity	Building farmer capabilities on targeted climate-smart technologies through over 13,500 Farmer Field Schools (FFS) covering 464,000 student farmers during FY 2023-24 ITC's Climate-Smart Village interventions (as part of the Climate-Smart Agriculture Programme) reached out to over 6,755 villages in 11 States covering over 1.9 million acres to date, aimed at creating climate-resilient villages with a target to cover 3 million acres by 2030
	13.2: Climate change measures in strategy and planning	Comprehensive climate change risk and vulnerability assessments using climate models across key physical assets and agri-value chains
	13.3: Improve awareness, and institutional capacity on climate change	In addition to various other interventions including recognition of sustainability exemplars in the Indian industry, nearly 50+ Capacity Building Sessions were carried out by the CII ITC Centre of Excellence for Sustainable Development

Approach to Sustainability 2.0

Environmental Stewardship

Social Stewardship - Sustainable & Inclusive Growth

Annexures

SDG / SDG Target		Select Interventions by ITC
14 LIFE BELOW WATER	**14.1:** Prevent and reduce marine pollution	Diverting plastic waste from entering water bodies through sustainable collection and management of post-consumer plastic waste. ITC retained its status of being plastic-neutral in FY 2023-24. During the year, ITC, through its various partners, has collected and managed ~70,000 tonnes of plastic waste during the year, with ~40% getting channelised for recycling, and the remaining being sent for energy recovery
	14.4: Regulate harvesting and end overfishing	Best Aquaculture Practices (BAP) Certified Operations for ITC's Agri SBU's Aqua (Prawns) Business
15 LIFE ON LAND	**15.1:** Conservation of freshwater ecosystems	Refer to SDG Target 6.5
	15.2: Sustainable management of forests	Sustainable Forest Management through ITC's Farm and Social Forestry programmes with the greening of over 1.16 million acres to date
	15.3: Restore degraded land and soil	Biodiversity Conservation Programme covers over 470,000 acres to date with a target to cover 1 million acres by 2030
	15.5: Halt the loss of biodiversity	ITC's Board-approved Policy on Biodiversity Conservation and Policy on Deforestation
		Deforestation-free Wood and Leaf Tobacco value chains
	15.9: Ecosystem and biodiversity planning	In FY 2023-24, ITC's community-driven biodiversity efforts have conserved more than 180,000 acres of area, taking the total to date to over 470,000 acres
16 PEACE, JUSTICE AND STRONG INSTITUTIONS	**16.5:** Reduce corruption and bribery in all forms	Commitment to highest standards of ethical conduct: Board-approved Code of Conduct for Directors, Senior Management, and Employees, and Code of Conduct for Suppliers and Service Providers
		ITC's Board-approved Policy on Tax to ensure compliance with the spirit, as well as the letter of the tax laws and regulations across countries of operations

SDG / SDG Target		Select Interventions by ITC
16 PEACE, JUSTICE AND STRONG INSTITUTIONS	**16.6:** Develop effective, accountable, and transparent institutions at all levels **16.7:** Ensure responsive, inclusive, participatory, and representative decision-making at all levels	Focus on Participatory Development through Creation of Empowered Grassroots Institutions: 7,300+ Self Help Groups, 4,800+ Water User Groups, over 1,700 Forestry Groups, 970 School Management Committees, 1,660 Farmer Producer Organisations (FPOs), and 1,150+ Agri-Business Centres created till date
		ITC's Board-approved Policy on Responsible Advocacy provides the framework for necessary interface with Government / Regulatory Authorities
		ITC's Board-approved Policy on Stakeholder Engagement: Commitment to understand and address the concerns of stakeholders including those who are disadvantaged, vulnerable, and marginalised
		CII–ITC Centre of Excellence for Sustainable Development for promoting sustainable business practices amongst Indian enterprises
17 PARTNERSHIPS FOR THE GOALS	**17.16:** Global partnership for sustainable development **17.17:** Encourage and promote effective public, public-private, and civil society partnerships	Partnerships with Agricultural Institutes like Tamil Nadu Agricultural University (TNAU), Indian Institute of Rice Research (IIRR), ICAR-Agricultural Technology Application Research Institute (ATARI), Kanpur, Dr. Rajendra Prasad Central Agricultural University, Pusa, and district-level Krishi Vigyan Kendras (KVK). Also, with the National Institute of Nutrition for mother and child health and nutrition and Technical Institutes like IIT Delhi for digital solutions to map stubble burning
		Partnership with IIT Delhi to expand the scope of work for supporting research and development in areas of science, technology, engineering, and medicine
		Public-Private-Partnerships (PPP) with Government Agencies to enable rapid scale-up of programmes-92 MoUs (22 currently operational) to date and 6 new done in FY 2023-24
		Implementation Partnerships under the Social Investments Programme with 88 reputed NGOs
		Participatory Development through 17,580 Grassroots Institutions- and Community-Based Organisations created to date with over 783,000 members

Site-wise Details of Water Stewardship Plan

Site-wise Details of the Water Stewardship Plan in line with the Alliance for Water Stewardship (AWS) Standard.

ITC Site	River Catchment & Project Scale	Supply Side Management: Catchment level interventions	Demand Side Management:		WASH and Water Governance	Water Withdrawal & Discharge
			Water Efficiency Measures at ITC Units	Catchment level Interventions		
Paper Mill at Kovai, Tamil Nadu[1]	Site lies in the Upper Bhawani River Basin **over 51,000 acres** covering **149 villages**	Created **275 water harvesting and groundwater recharge structures** to harvest rainwater, increase filtration rate and improve the quality of water. Total water storage potential created: **~2.30 million kl**	Optimisation of freshwater utilisation in the process through water conservation measures leads to a daily savings of **50 kl/day** Recycling of treated discharge water in process up to **52%**	Promotion of **Split dose** and **drone spray application** across more than **9,101 acres** to address high levels of phosphorous and nitrate in the catchment. Total potential water savings in agricultural practices in FY 2023-24: **~25.1 million kl**	**350 Awareness campaigns** done on WASH. Created **62 Water User Groups** to strengthen water governance in the catchment.	Withdrawal: ~1 million kl **Discharge:** 0 kl
Foods Factory at Malur, Karnataka[1]	Site lies in the South Pennar River Basin **Over 40,200 acres** covering **168 villages**	Created a cumulative of **564 water harvesting and groundwater recharge structures** Total water storage potential created: **~1.33 million kl**	Roof top Rainwater Harvesting project completed and commissioned successfully leading to an estimated annual water saving potential of **15,900 kl**	Total potential water savings in agricultural practices in FY 2023-24: **~4 million kl**	**36 schools** and **30 Anganwadis** covered under WASH interventions Created **20 Water User Groups** to strengthen water governance in the catchment	Withdrawal: ~57,000 kl **Discharge:** 0 kl
Cigarettes Factory at Bengaluru, Karnataka[1]	Site lies in the South Pennar River Basin **Over 24,700 acres** covering **64 villages**	Created a cumulative of **170 water harvesting and groundwater recharge** Total water storage potential created: **~0.51 million kl**	Adoption of sensometric taps to minimise water wastage and the utilisation of ETP water for flushing in various locations. Using ETP water blending and the relocation of the Fireline to an overhead position in the CPD to prevent leakages. Utility Management System (UMS) is leveraged for efficient utility management Total rainwater harvested in FY 2023-24 was about **~1,14,801 kl**	Total potential water savings in agricultural practices in FY 2023-24: **~1.23 million kl**	**29 schools** and **12 Anganwadis** covered under WASH interventions	Withdrawal: **~88,000 kl** **Discharge:** 0 kl

[1] Identified high water-stressed site

ITC Site	River Catchment & Project Scale	Supply Side Management: Catchment level interventions	Demand Side Management:		WASH and Water Governance	Water Withdrawal & Discharge
			Water Efficiency Measures at ITC Units	Catchment level Interventions		
Leaf Threshing Unit at Mysuru, Karnataka	Site lies in the Kabini River basin **38,000 acres** covering **61 villages**	Created a cumulative 276 **water harvesting and groundwater recharge** Total water storage potential created: **~3.96 million kl**	Continued benefits from past years interventions Collecting ACF & PSF backwash water into sand bed and pumping back to the raw water tank in the Water treatment plant, new design C-nozzles replaced with old nozzles in Lamina Re-dryer (LRD) These interventions resulted in a **total daily water saving of 17 kl** Total rainwater harvested in FY 23 was **433 kl**	Various demand side interventions undertaken have led to an annual (FY 2023-24) potential water savings in agricultural practices of about: **~5.25 million kl**	**55 schools** and **35 Anganwadis** covered under WASH interventions	**Withdrawal:** ~36,000 kl **Discharge:** 0 kl
Integrated Paper Mill at Bhadrachalam, Telangana[1]	Site lies in the Mureru River Basin (Tributary of Kinnerasani-Godavari) **1.4 lakh acres** covering 104 **villages**	Created **2,410 recharge structures** to harvest rainwater, recharge groundwater, increase filtration rate, and improve quality of water Total water storage potential created: **2.04 million kl**	Utilisation of hot water generated in Pulp mill **(2,900 kl/day)** in Paper Machines there by reduction of freshwater consumption.	Total potential water savings in agricultural practices in FY 2023-24: **28 million kl**	**1076 Awareness campaigns** done on WASH Created **144 Water User Groups** to strengthen water governance in the catchment	Withdrawal: ~27.11 million kl (Includes ~1.55 million kl supplied to nearby villages for drinking) **Discharge:** ~19.6 million kl (includes 9.71 million kl treated effluent utilisation in irrigation remaining to Godavari (freshwater))

Approach to Sustainability 2.0

Environmental Stewardship

Social Stewardship - Sustainable & Inclusive Growth

Annexures

ITC Site	River Catchment & Project Scale	Supply Side Management: Catchment level interventions	Demand Side Management:		WASH and Water Governance	Water Withdrawal & Discharge
			Water Efficiency Measures at ITC Units	Catchment level Interventions		
1) Cigarettes and 2) Foods Factories at Ranjangaon, Maharashtra[1]	Site lies in the Ghod River Basin **9.68 lakh acres** covering 461 **villages**	Constructed **over 2,592 water harvesting and groundwater recharge structures** to harvest rainwater, increase infiltration rate, and improve the quality of water Total water storage potential created: **~1.23 million**	**Cigarettes Factory** Improvement in water use efficiency and reduction in freshwater consumption through HVAC Optimisation, AHU Refurbication and provision of PVC Mist separator, Reuse of ETP Treated water for toilet flushing and Humifog drain water recovery from AHUs, Recycle RO for RO Rejects (1540 kl) and rainwater usage for Fresh Water Use (390 kl) Total rainwater harvested in FY 23 was **~24,000 kl** **Foods Factory:** Various interventions for improving water use efficiencies like installation of aerator taps in the canteen and admin blocks, reduction of pipeline size to reduce the total water flow, gravity-based pipeline systems to reduce total water flow by reducing pressure from 7 bar to 1 bar and reusing ETP treated for toilet flushing reducing freshwater consumption	Total potential water savings in agricultural practices in FY 2023-24: **~185 million kl**	**252 Awareness campaigns** done on WASH **Trained 127 Water User** Associations on efficient water utilisation to strengthen water governance in the catchment Total 9 toilet blocks and 2 handwash stations constructed in schools in FY 2023-24 A total of 97 awareness campaigns on waste management were conducted covering 5177 community members in FY 2023-24	**Cigarettes factory** **Withdrawal:** ~25,000 kl **Discharge:** 0 kl **Foods factory** **Withdrawal:** ~190,000 kl **Discharge:** ~50,000 kl to CETP (other water)

ITC Site	River Catchment & Project Scale	Supply Side Management: Catchment level interventions	Demand Side Management:		WASH and Water Governance	Water Withdrawal & Discharge
			Water Efficiency Measures at ITC Units	Catchment level Interventions		
Cigarettes Factory at Saharanpur, UP[1]	Site lies in the Hindon River Basin **1.07 lakh acres** covering 74 **villages**	Renovated and constructed **62 water harvesting and groundwater recharge structures** Total water storage potential created: **0.37 million kl**	Use of treated water in cooling towers. Creation of additional rainwater storage structure and improving efficiency in HVAC cooling tower Total rainwater recharged in FY 2023- 24 was **~33,940 kl** Total rainwater harvested in FY 2023-24 was **~37,769.75 kl**	Various demand side interventions undertaken have led to a total potential water savings in agricultural practices in FY 2023-24: **~ 4.11 million kl**	100 **Toilets** and **108 Handwash** stations have been constructed in schools as part of WASH initiatives **5,614 programmes** promoting WASH undertaken. **8** Community toilets constructed to date Trained **57 Water User Groups** on efficient water utilisation **1.52 lakh households covered** under the Solid Waste Management programme	Withdrawal: ~38,000 kl **Discharge:** 0 kl
Foods Factory at Kapurthala, Punjab[1]	Site lies in the Kali Bein River **Over 95,800 acres** covering 133 **villages**	Rejuvenated **138** water harvesting and groundwater recharge structures Total additional water storage created: **~0.41 million kl**	Installation of second stage RO, DMF to use rainwater, reduction in domestic water consumption through various projects like seal cooling, CIP & soft water optimisation, etc. Total rainwater recharged in FY 23- 24 was **~95,162 kl**	Various demand-side interventions undertaken have led to a total potential water savings in agricultural practices in FY 2023-24: **~62.4 million kl**	**402 WASH awareness campaigns** undertaken, and **30,962 households** covered under the Solid Waste Management programme Created **93 Water User Groups** to strengthen water governance in the catchment	Withdrawal: ~202,000 kl **Discharge:** 0 kl
Foods Factory at Medak, Telangana	Site lies in the Manjeera River Catchment of the Godavari River Basin **6,300 acres** covering **12 villages**	Created **103** recharge structures to harvest rainwater, recharge groundwater, increase filtration rate, and improve the quality of water Total water storage potential created: **0.15 million kl**	Sensor-based taps water efficient nozzles are installed in washrooms. Flow metres were installed for the cooling tower for better monitoring Using treated water in the crate washing area	DSR as demand-side interventions undertaken have led to an annual (FY 2023-24) potential water savings in agricultural practices of about: **~1.19 million kl**	Created **16 Water User Groups** to strengthen water governance in the catchment **214 Awareness campaigns** done on WASH	Withdrawal: ~78,000 kl **Discharge:** 0 kl

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ITC Site	River Catchment & Project Scale	Supply Side Management: Catchment level interventions	Demand Side Management:		WASH and Water Governance	Water Withdrawal & Discharge
			Water Efficiency Measures at ITC Units	Catchment level Interventions		
Leaf Threshing Unit at Anaparthi, Andhra Pradesh	The unit falls under the Godavari River basin	NA	Reduction in water consumption by using recycled and treated water for flushing, ash wetting, and gardening, recovering condensate from various processes for reuse. Total raw water saved by utilising ETP-treated water for flushing is **464.42 kl** Created 42 water harvesting and groundwater recharge structures to harvest rainwater. Implementation of Rainwater Harvesting system leading to an estimated annual water saving potential of **44,475 kl** of water during FY 2023-24	NA	**69 schools** and **46 Anganwadis** covered under WASH interventions	**Withdrawal:** ~43,000 kl during FY 2023-24 **Discharge:** 0 kl

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GRI Content Index

Statement of use	ITC Limited has reported in accordance with the GRI Standards for the period 1st April, 2023 to 31st March, 2024.
GRI 1 used	GRI 1: Foundation 2021

GRI Standard / Other Source	Disclosure	Location	Omission		
			Requirement(s) omitted	Reason	Explanation
General Disclosures					
GRI 2: GENERAL DISCLOSURES 2021	2-1 Organisational details	About ITC	–	–	–
	2-2 Entities included in the organisation's sustainability reporting	About this Report	–	–	–
	2-3 Reporting period, frequency and contact point	About this Report	–	–	–
	2-4 Restatements of information	There's no restatement in this Report.	–	–	–
	2-5 External assurance	About this Report Independent External Assurance	–	–	–
	2-6 Activities, value chain and other business relationships	About ITC Sustainable Supply Chain and Responsible Sourcing	–	–	–
	2-7 Employees	Workforce for Tomorrow	–	–	–
	2-8 Workers who are not employees	Workforce for Tomorrow	–	–	–
	2-9 Governance structure and composition	Governance	–	–	–
	2-10 Nomination and selection of the highest governance body	Governance	–	–	–
	2-11 Chair of the highest governance body	Governance	–	–	–
	2-12 Role of the highest governance body in overseeing the management of impacts	Governance	–	–	–
	2-13 Delegation of responsibility for managing impacts	Governance	–	–	–
	2-14 Role of the highest governance body in sustainability reporting	Governance	–	–	–
	2-15 Conflicts of interest	Governance	–	–	–

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GRI Standard / Other Source	Disclosure	Location	Omission		
			Requirement(s) omitted	Reason	Explanation
	2-16 Communication of critical concerns	Stakeholder Engagement Governance	-	-	-
	2-17 Collective knowledge of the highest governance body	Governance	-	-	-
	2-18 Evaluation of the performance of the highest governance body	Governance	-	-	-
	2-19 Remuneration policies	Governance https://www.itcportal.com/about-itc/policies/remuneration-policy.pdf	-	-	-
	2-20 Process to determine remuneration	Governance	-	-	-
	2-21 Annual total compensation ratio	Governance	-	-	-
	2-22 Statement on sustainable development strategy	Chairman's Message	-	-	-
	2-23 Policy commitments	Chairman's Message https://www.itcportal.com/about-itc/policies/index.aspx	-	-	-
	2-24 Embedding policy commitments	Chairman's Message	-	-	-
	2-25 Processes to remediate negative impacts	Report and Accounts 2024, Business Responsibility and Sustainability Reporting (BRSR), 2024 - Principle 4 Sustainable Supply Chain and Responsible Sourcing	-	-	-
	2-26 Mechanisms for seeking advice and raising concerns	Workforce for Tomorrow	-	-	-
	2-27 Compliance with laws and regulations	Report and Accounts 2024, BRSR 2024 Principle 1	-	-	-
	2-28 Membership associations	Report and Accounts 2024, BRSR 2024 Principle 7	-	-	-
	2-29 Approach to stakeholder engagement	Stakeholder Engagement	-	-	-
	2-30 Collective bargaining agreements	Workforce for Tomorrow Reports and Accounts 2024 - BRSR Principle 3	-	-	-
Material Topics					
GRI 3: MATERIAL TOPICS 2021	3-1 Process to determine material topics	Material Issues	-	-	-
	3-2 List of material topics	Material Issues	-	-	-
Brand & Reputation					
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	Product Sustainability Strategic Risk Management	-	-	-

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GRI Standard / Other Source	Disclosure	Location	Omission		
			Requirement(s) omitted	Reason	Explanation
Data Security & Privacy					
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	Product Sustainability Strategic Risk Management Reports and Accounts 2024 - BRSR Principle 9	-	-	-
R&D and Innovation					
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	Product Sustainability Strategic Pillars	-	-	-
Climate Smart Agriculture					
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	Sustainable and Climate-Resilient Agriculture	-	-	-
Ethics & Governance					
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	Governance	-	-	-
Nature & Biodiversity (Biodiversity)					
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	Biodiversity Management	-	-	-
GRI 304: BIODIVERSITY 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Biodiversity Management Reports and Accounts 2024 - BRSR 2024 Principle 6	-	-	-
	304-2 Significant impacts of activities, products, and services on biodiversity	Biodiversity Management	-	-	-
	304-3 Habitats protected or restored	Biodiversity Management	-	-	-
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	Biodiversity Management	-	-	-
Sustained Stakeholder Value Creation (Economic Performance)					
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	Creating Sustained Economic Value	-	-	-
GRI 201: ECONOMIC PERFORMANCE 2016	201-1 Direct economic value generated and distributed	Creating Sustained Economic Value	-	-	-
	201-2 Financial implications and other risks and opportunities due to climate change	Refer ITC's publicly available response to CDP Climate Change Questionnaire	-	-	-
	201-3 Defined benefit plan obligations and other retirement plans	Creating Sustained Economic Value	-	-	-
	201-4 Financial assistance received from the government	Creating Sustained Economic Value	-	-	-

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GRI Standard / Other Source	Disclosure	Location	Omission		
			Requirement(s) omitted	Reason	Explanation
Market Presence					
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	Reports and Accounts 2024 - BRSR 2024 Principle 5	-	-	-
GRI 202: MARKET PRESENCE 2016	202-1 Ratios of standard entry-level wage by gender compared to local minimum wage	Reports and Accounts 2024 - BRSR 2024 Principle 5	-	-	-
	202-2 Proportion of senior management hired from the local community	Governance	-	-	-
Indirect Economic Impacts					
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	About ITC ITC's Approach to Value Creation Creating Sustained Economic Value	-	-	-
GRI 203: INDIRECT ECONOMIC IMPACTS 2016	203-1 Infrastructure investments and services supported	About ITC ITC's Approach to Value Creation Creating Sustained Economic Value	-	-	-
	203-2 Significant indirect economic impacts	Mission Sunehra Kal for Sustainable and Inclusive Growth	-	-	-
Procurement Practices					
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	Sustainable Supply Chain and Responsible Sourcing Reports and Accounts 2024 - BRSR 2024 - Principle 2, Principle 6, Principle 8	-	-	-
GRI 204: PROCUREMENT PRACTICES 2016	204-1 Proportion of spending on local suppliers	Sustainable Supply Chain and Responsible Sourcing Reports and Accounts 2024 - BRSR 2024 - Principle 8	-	-	-
Anti-corruption					
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	Governance	-	-	-
GRI 205: ANTI-CORRUPTION 2016	205-1 Operations assessed for risks related to corruption	Governance	-	-	-
	205-2 Communication and training about anti-corruption policies and procedures	Governance Report and Accounts 2024 - BRSR 2024 Principle 1	-	-	-
	205-3 Confirmed incidents of corruption and actions taken	Report and Accounts 2024 - BRSR 2024 Principle 1	-	-	-
Anti-competitive Behaviour					
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics		-	-	-
GRI 206: ANTI-COMPETITIVE BEHAVIOUR 2016	206-1 Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	Governance Report and Accounts 2024 - BRSR 2024 - Principle 1 and 7	-	-	-

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GRI Standard / Other Source	Disclosure	Location	Omission		
			Requirement(s) omitted	Reason	Explanation
Tax					
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	https://www.itcportal.com/about-itc/policies/sustainability-policy.aspx#policy-tax	-	-	-
GRI 207: TAX 2019	207-1 Approach to tax	https://www.itcportal.com/about-itc/policies/sustainability-policy.aspx#policy-tax	-	-	-
	207-2 Tax governance, control, and risk management	https://www.itcportal.com/about-itc/policies/sustainability-policy.aspx#policy-tax	-	-	-
	207-3 Stakeholder engagement and management of concerns related to tax	https://www.itcportal.com/about-itc/policies/sustainability-policy.aspx#policy-tax	-	-	-
	207-4 Country-by-country reporting	Report and Accounts 2024	-	-	-
Materials					
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	Sustainable Supply Chain and Responsible Sourcing	-	-	-
GRI 301: MATERIALS 2016	301-1 Materials used by weight or volume	Sustainable Supply Chain and Responsible Sourcing	-	-	-
	301-2 Recycled input materials used	Towards Circularity	-	-	-
	301-3 Reclaimed products and their packaging materials	Towards Circularity	-	-	-
Net Zero and Climate Transition (Energy)					
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	Climate Change	-	-	-
GRI 302: ENERGY 2016	302-1 Energy consumption within the organisation	Climate Change	-	-	-
	302-2 Energy consumption outside of the organisation	Climate Change	-	-	-
	302-3 Energy intensity	Climate Change	-	-	-
	302-4 Reduction of energy consumption	Climate Change	-	-	-
	302-5 Reductions in energy requirements of products and services	Climate Change	-	-	-
Water Stewardship (Water and Effluents)					
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	Water Security	-	-	-

GRI Standard / Other Source	Disclosure	Location	Omission		
			Requirement(s) omitted	Reason	Explanation
GRI 303: WATER AND EFFLUENTS 2018	303-1 Interactions with water as a shared resource	Water Security	-	-	-
	303-2 Management of water discharge-related impacts	Water Security Chemical Safety Management	-	-	-
	303-3 Water withdrawal	Water Security	-	-	-
	303-4 Water discharge	Water Security	-	-	-
	303-5 Water consumption	Water Security	-	-	-
Net Zero and Climate Transition (Emissions)					
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	Climate Change	-	-	-
GRI 305: EMISSIONS 2016	305-1 Direct (Scope 1) GHG emissions	Climate Change	-	-	-
	305-2 Energy indirect (Scope 2) GHG emissions	Climate Change	-	-	-
	305-3 Other indirect (Scope 3) GHG emissions	Climate Change	-	-	-
	305-4 GHG emissions intensity	Climate Change	-	-	-
	305-5 Reduction of GHG emissions	Climate Change	-	-	-
	305-6 Emissions of ozone-depleting substances (ODS)	Air Emissions Management	-	-	-
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Air Emissions Management	-	-	-
Spills					
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	Chemical Safety Management	-	-	-
GRI 306: EFFLUENTS AND WASTE 2016	306-3 Significant spills	Chemical Safety Management	-	-	-
Circularity and Sustainable Packaging (Waste)					
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	Towards Circularity	-	-	-

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GRI Standard / Other Source	Disclosure	Location	Omission		
			Requirement(s) omitted	Reason	Explanation
GRI 306: WASTE 2020	306-1 Waste generation and significant waste-related impacts	Towards Circularity	-	-	-
	306-2 Management of significant waste-related impacts	Towards Circularity	-	-	-
	306-3 Waste generated	Towards Circularity	-	-	-
	306-4 Waste diverted from disposal	Towards Circularity	-	-	-
	306-5 Waste directed to disposal	Towards Circularity	-	-	-
Supplier Environmental Assessment					
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	Sustainable Supply Chain and Responsible Sourcing Report and Accounts 2024 - BRSR 2024 - Principle 6	-	-	-
GRI 308: SUPPLIER ENVIRONMENTAL ASSESSMENT 2016	308-1 New suppliers that were screened using environmental criteria	Sustainable Supply Chain and Responsible Sourcing Report and Accounts 2024 - BRSR 2024 - Principle 6	-	-	-
	308-2 Negative environmental impacts in the supply chain and actions taken	Sustainable Supply Chain and Responsible Sourcing Report and Accounts 2024 - BRSR 2024 - Principle 6	-	-	-
Employment					
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	Workforce for Tomorrow	-	-	-
GRI 401: EMPLOYMENT 2016	401-1 New employee hires and employee turnover	Workforce for Tomorrow	-	-	-
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Workforce for Tomorrow Report and Accounts 2024 - BRSR 2024 Principle 3	-	-	-
	401-3 Parental leave	Workforce for Tomorrow Report and Accounts 2024 - BRSR 2024 - Principle 3	-	-	-
Labour / Management Relations					
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	Workforce for Tomorrow	-	-	-
GRI 402: LABOUR / MANAGEMENT RELATIONS 2016	402-1 Minimum notice periods regarding operational changes	Workforce for Tomorrow	-	-	-
Occupational Health and Safety					
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	Occupational Health and Safety	-	-	-

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GRI Standard / Other Source	Disclosure	Location	Omission		
			Requirement(s) omitted	Reason	Explanation
GRI 403: OCCUPATIONAL HEALTH AND SAFETY 2018	403-1 Occupational health and safety management system	Occupational Health and Safety	-	-	-
	403-2 Hazard identification, risk assessment, and incident investigation	Occupational Health and Safety	-	-	-
	403-3 Occupational health services	Occupational Health and Safety	-	-	-
	403-4 Worker participation, consultation, and communication on occupational health and safety	Occupational Health and Safety	-	-	-
	403-5 Worker training on occupational health and safety	Occupational Health and Safety	-	-	-
	403-6 Promotion of worker health	Occupational Health and Safety	-	-	-
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational Health and Safety	-	-	-
	403-8 Workers covered by an occupational health and safety management system	Occupational Health and Safety	-	-	-
	403-9 Work-related injuries	Occupational Health and Safety	-	-	-
	403-10 Work-related ill health	Occupational Health and Safety	-	-	-
Training and Education					
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	Workforce for Tomorrow			
GRI 404: TRAINING AND EDUCATION 2016	404-1 Average hours of training per year per employee	Workforce for Tomorrow			
	404-2 Programmes for upgrading employee skills and transition assistance programmes	Workforce for Tomorrow			
	404-3 Percentage of employees receiving regular performance and career development reviews	Workforce for Tomorrow			

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GRI Standard / Other Source	Disclosure	Location	Omission		
			Requirement(s) omitted	Reason	Explanation
Diversity and Equal Opportunity					
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	Workforce for Tomorrow			
GRI 405: DIVERSITY AND EQUAL OPPORTUNITY 2016	405-1 Diversity of governance bodies and employees	Governance Workforce for Tomorrow			
	405-2 Ratio of basic salary and remuneration of women to men	Report and Accounts 2024 - BRSR 2024 Principle 5			
Non-discrimination					
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	Report and Accounts 2024 - BRSR 2024 Principle 5			
GRI 406: NON-DISCRIMINATION 2016	406-1 Incidents of discrimination and corrective actions taken	Report and Accounts 2024 - BRSR 2024 Principle 5			
Freedom of Association and Collective Bargaining					
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	Workforce for Tomorrow			
GRI 407: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Workforce for Tomorrow			
Child Labour					
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	Workforce for Tomorrow Report and Accounts 2024 - BRSR 2024 - Principle 5 Sustainable Supply Chain and Responsible Sourcing			
GRI 408: CHILD LABOUR 2016	408-1 Operations and suppliers at significant risk for incidents of child labour	Workforce for Tomorrow Report and Accounts 2024 - BRSR 2024 - Principle 5 Sustainable Supply Chain and Responsible Sourcing			
Forced or Compulsory Labour					
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	Workforce for Tomorrow Report and Accounts 2024 - BRSR 2024 Principle 5 Sustainable Supply Chain and Responsible Sourcing			
GRI 409: FORCED OR COMPULSORY LABOUR 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour	Workforce for Tomorrow Report and Accounts 2024 - BRSR 2024 Principle 5 Sustainable Supply Chain and Responsible Sourcing			

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GRI Standard / Other Source	Disclosure	Location	Omission		
			Requirement(s) omitted	Reason	Explanation
Security Practices					
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	Workforce for Tomorrow			
GRI 410: SECURITY PRACTICES 2016	410-1 Security personnel trained in human rights policies or procedures	Report and Accounts 2024 - BRSR 2024 Principle 5			
Rights of Indigenous Peoples					
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	Not a material issue			
GRI 411: RIGHTS OF INDIGENOUS PEOPLES 2016	411-1 Incidents of violations involving the Rights of Indigenous peoples	Not a material issue			
Local Communities					
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	Mission Sunehra Kal for Sustainable and Inclusive Growth			
GRI 413: LOCAL COMMUNITIES 2016	413-1 Operations with local community engagement, impact assessments, and development programmes	Mission Sunehra Kal for Sustainable and Inclusive Growth			
	413-2 Operations with significant actual and potential negative impacts on local communities	Mission Sunehra Kal for Sustainable and Inclusive Growth			
Supplier Social Assessment					
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	Sustainable Supply Chain and Responsible Sourcing Report and Accounts 2024 - BRSR 2024 Principle 5			
GRI 414: SUPPLIER SOCIAL ASSESSMENT 2016	414-1 New suppliers that were screened using social criteria	Sustainable Supply Chain and Responsible Sourcing Report and Accounts 2024 - BRSR 2024 Principle 5			
	414-2 Negative social impacts in the supply chain and actions taken	Sustainable Supply Chain and Responsible Sourcing Report and Accounts 2024 - BRSR 2024 Principle 5			
Public Policy					
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	Report and Accounts 2024			
GRI 415: PUBLIC POLICY 2016	415-1 Political contributions	Report and Accounts 2024			

GRI Standard / Other Source	Disclosure	Location	Omission		
			Requirement(s) omitted	Reason	Explanation
Customer Health and Safety					
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	Product Sustainability			
GRI 416: CUSTOMER HEALTH AND SAFETY 2016	416-1 Assessment of the health and safety impacts of product and service categories	Product Sustainability			
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Product Sustainability			
Marketing and Labelling					
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	Product Sustainability			
GRI 417: MARKETING AND LABELLING 2016	417-1 Requirements for product and service information and labelling	Product Sustainability			
	417-2 Incidents of non-compliance concerning product and service information and labelling	Product Sustainability			
	417-3 Incidents of non-compliance concerning marketing communications	Product Sustainability			
Customer Privacy					
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	Product Sustainability			
GRI 418: CUSTOMER PRIVACY 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Product Sustainability			

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Quantification Methodologies

Energy and GHG Emissions

To set organisational boundaries for consolidated GHG emissions, ITC has utilised the operational control approach for various entities covered under the Report. ITC's GHG emissions inventory is prepared based on the ISO 14064-1: 2018 Standard and using 'GHG Protocol Corporate Accounting and Reporting Standard' as amended thereto and 'Corporate Value Chain (Scope 3) Accounting and Reporting Standard' (including supplements to it) developed by the GHG Protocol Initiative, a partnership between the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD). Global Warming Potential (GWP) used are sourced from the IPCC Fifth Assessment Report.

1.   Stationary Combustion

Emission factors provided in the IPCC Guideline for National Greenhouse Gas Inventories of 2006 have been used to calculate GHG emissions from stationary combustion sources.

Activity data (quantity of fuel consumed) is multiplied with the respective default energy factor or actual measured Net Calorific Value (NCV) to arrive at the energy consumption values, which is multiplied by the emission factor to quantify the direct emissions from stationary combustion sources.

2.   Purchased Energy

The quantification of indirect GHG emissions due to purchased electricity is based on activity data (electricity consumption in kWh) multiplied by weighted average emission factors specified in the 'CO$_2$ Baseline Database for the Indian Power Sector User Guide', (version 19.0, December 2023) issued by the Central Electricity Authority, Government of India. For market-based Scope 2 emissions, the emission factor of the contracted power plant is used (where applicable), and for location-based Scope 2 emissions, the emission factor of the grid is used for purchased electricity, including purchased renewable electricity.

The quantification of indirect GHG emissions for purchased steam is based on activity data (energy consumption in GJ) multiplied by the relevant emission factor. The emission factor is sourced from the IPCC Guideline for National Greenhouse Gas Inventories of 2006 for the corresponding fuel.

3.   Transportation

Sources for the calculation of emission factors for different modes of transportation are as follows:

Road: India Specific Road Transport Emission Factors, published by the India GHG Programme[2]

Rail: Emission factor shared by Indian railways.

Air: India Specific Air Transport Emission Factors, for the Passenger Travel and Material Transport published by the India GHG Programme[1]

Ship: Emission factor published by Department of Business, Energy, and Industrial Strategy, UK

4.   Other Sources

The quantification of GHG emissions from other sources is based on a robust process of data collection at the unit / Division level and methodologies / emission factors taken from recognised global sources such as IPCC, GHG Protocol, and UNFCCC. The sources that have a minor contribution to ITC's overall GHG emissions are listed below:

1.   Process Emissions
2.   Emissions from company-owned vehicles
3.   Emissions from employee commuting
4.   Emissions from vehicles used for guest pickup and drop at ITC Hotels
5.   Refrigerants released from the refrigerators, chillers, and air conditioners
6.   SF$_6$ release from power distribution system
7.   CO$_2$ release from fire protection system
8.   Emissions from gas cutting and welding
9.   Methane released from wastewater treatment
10.   Emissions from composting of waste inside the unit premises
11.   Emissions from fertiliser application in forestry project
12.   Emissions from business air travel

The contribution of other sources of GHG emissions is less than 5% of ITC's total GHG emissions. These are measured once in three years (except for refrigerants which are monitored annually).

13.   GHG Removals

GHG removals from plantations have been calculated based on the approved methodology used in ITC's UNFCCC registered CDM project '2241: Reforestation of severely degraded landmass in Khammam District of Andhra Pradesh, India under ITC Social Forestry Project.'

[2] *India GHG Programme is led by World Resources Institute (WRI India), CII and TERI.*

Certifications
Environment, Social and Occupational Health & Safety

ISO 14001: Environment Management System
All ITC owned manufacturing Units (except the Leaf threshing Unit at Anaparti and newly inducted factories from Sunrise Foods and the newly commissioned factory at Medak and Khurda)
All ITC owned Hotels (except ITC Narmada),
Offices: ITC Green Centre Gurugram, LSTC
Subsidiaries: Srinivasa Resorts Limited (ITC Kakatiya), Bay Island Hotels Limited (Welcomhotel Bay Island Port Blair), Surya Nepal Private Limited (SNPL) Units at Simra & Seratar and ATC Limited Unit at Hosur
Third-Party Vendors: Welcomhotel Vadodara, HDC Hyderabad, RCTI Bhopal and GS Global Ventures Private Limited

OHSAS 18001 / ISO 45001: Occupational Health and Safety Management Systems
All ITC owned manufacturing Units (except the Leaf threshing Unit at Anaparti and newly inducted factories from Sunrise Foods and the newly commissioned factory at Medak and Khurda),
Hotels: ITC Royal Bengal
Subsidiaries: Bay Island Hotels Limited (Welcomhotel Bay Island Port Blair), North-East Nutrients Private Limited (NENPL) Unit at Mangaldai, SNPL Units at Simra & Seratar, and ATC Limited Unit at Hosur
Third-Party Vendors: HDC Hyderabad, RCTI Bhopal and GS Global Ventures Private Limited

SA 8000: Social Accountability
Cigarettes factories at Munger and Kidderpore, Personal care Unit at Haridwar and Packaging and Printing Units at Munger & Tiruvottiyur

Subsidiary: SNPL Unit at Simara
Third-Party Vendors: HDC Hyderabad, RCTI Bhopal and GS Global Ventures Private Limited

FSSC 22000 / ISO 22000 / HACCP: Food Safety Management System
All ITC owned Foods Business Units (except the factory at ICML Medak and Sankrail where certification is under progress)
All ITC Hotels (except recently commissioned Welcomhotel Coimbatore, Welcomhotel Amritsar, Welcomhotel Bhubaneshwar and Welcomhotel Guntur)
Subsidiaries: Srinivasa Resorts Limited (ITC Kakatiya at Hyderabad) and Bay Island Limited (Welcomhotel Bay Island at Port Blair), ITC Units at Bengaluru, Pune and Saharanpur

Other Product Certifications: BRCGS Certification as per BRC Global Standard for Packaging and Packaging Materials
→ Packaging and Printing Units at Tiruvottiyur, Haridwar and Nadiad
Paperboards and Specialty Papers Units at Bollaram and Bhadrachalam

Forest Stewardship Council®
Paperboards and Specialty Papers Units at Bhadrachalam, Tribeni, Kovai and Bollaram (FSC®-C064218 and FSC®-C102390) »
Packaging and Printing Units at Tiruvottiyur, Haridwar and Nadiad (FSC®-C109843, FSC®-C184784 and FSC®-C187699)

LEED® Platinum Rating by US Green Building Council / Platinum Rated Green Building by Indian Green Building Council
Hotels: » ITC Maurya, ITC Windsor, ITC Maratha, ITC Grand Central, ITC Mughal, ITC Sonar, ITC Kakatiya, ITC Rajputana,

ITC Gardenia, ITC Grand Chola, ITC Grand Bharat, ITC Grand Goa, ITC Royal Bengal, ITC Kohenur, Welcomhotel Bengaluru, Welcomhotel Coimbatore, Welcomhotel Amritsar, Welcomhotel Bhubaneswar, Welcomhotel Guntur, Sheraton New Delhi and Welcomhotel Chennai and ITC Narmada
Other buildings: » ITC Green Centre at Bengaluru, ITC Sankhya Data Centre, ITC Green Centre Manesar, ITC Green Centre at Guntur, ITC Green Centre Gurugram, ITC Virginia House Kolkata, ITC Centre Kolkata and ITC Green Centre at Kolkata (Pre-certified)

Platinum Rated Green Factory Building by Indian Green Building Council (IGBC)
ITC Units at Saharanpur, Bengaluru, Munger, Pune, Kidderpore and Medak, and ATC Limited

LEED® Zero Carbon
ITC Windsor, ITC Gardenia, ITC Grand Chola, ITC Mughal, ITC Rajputana, ITC Grand Central, ITC Maratha, Sheraton New Delhi, Welcomhotel Chennai, Welcomhotel Bengaluru, Welcomhotel Coimbatore, Welcomhotel Guntur and Sankhya Data centre

LEED® Zero Water
ITC Mughal and ITC Sonar

Alliance for Water Stewardship (AWS) Platinum-level certification
Paperboards and Speciality Papers Unit at Kovai and Foods Unit at Malur, Ranjangaon, Leaf threshing Unit at Mysore

Rainforest Alliance Certification
In FY 2023-24, around 5,456 acres of coffee raw materials were certified under Rainforest Alliance sustainable standard

Union for Ethical Bio Trade (UEBT) & Rainforest Alliance Joint Certification
In FY 2023-24, around 6,479 acres of area under new UEBT & RA joint herbs & spices programme covering Chilli, Cumin, Celery, and Turmeric crops.

Global G.A.P Certification
In FY 2023-24, close to 1,847 acres of Chilli were certified under Global G.A.P. The Good Agriculture Practices (GAP) programme addresses environmental, economic, and social sustainability for on-farm processes, and results in safe and quality farm produce.

Fairtrade Certification
Fairtrade certification endorses that the Agri produce meet defined environmental, labour, and developmental standards. In FY 2023-24, close to 872 acres of Mango area were covered under Fairtrade certification.

Certified Organic Production
In FY 2023-24, close to 2472 acres of Mango and 1630 acres of Spices (Chilli, Turmeric, Cumin) area were certified under organic farming. Similarly, around 26,620 acres of area under Cereals (Wheat, Paddy, Soybean, Maize, Gram, Pigeon Pea, Mustard) and around 1244 acres under Spices (Chilli, Cumin, Fennel) are under Organic conversion.

NPOP, NOP and EU Certification Standards
The processing and warehouse facilities in the processed fruits & spices business comply with NPOP, NOP, and EU organic certification standards.

ESG Ratings

ITC has been a pioneer and frontrunner in Sustainability performance for more than two decades. It has undertaken multi-dimensional and large-scale initiatives that contribute to its leadership in Environmental, Social and Governance (ESG) issues.

In FY 2023-24, ITC sustained its 'AA' rating by MSCI-ESG for the sixth consecutive year, the highest rating among global tobacco majors.

ITC has been included in the Dow Jones Sustainability Emerging Markets Index for the fourth year in a row.

ITC entered the prestigious 'A List' for CDP Water by achieving the highest 'A' rating (Leadership Level), which is higher than the Asia and Global average of 'C'.

For CDP Climate, ITC retained its 'A -' (Leadership Level) rating, which is higher than the Asia and Global average of 'C'.

ITC is continuously working on all fronts focussing on well-defined targets and goals to sustain and strengthen its leadership in ESG performance. Its superior ESG performance has also been acknowledged by leading analysts and brokerage firms.

Major Awards 2023-24

ITC Chairman, Mr Sanjiv Puri was bestowed with the 'Transformational Leader Award' by the Asian Centre for Corporate Governance and Sustainability.

ITC Chairman, Mr Sanjiv Puri, conferred the Best CEO Award in the 'Large Companies' category by Business Today.

ITC wins the 'Business Leader of the Year – ESG' prize at the 50th edition of the Chemtech Leadership & Excellence Awards.

ITC Rajputana, Jaipur, is the 3rd hotel in the world to be LEED Zero Water certified, the first two being ITC Mughal, Agra and ITC Sonar, Kolkata.

ITC's factories in Ranjangaon and ITC units in Bengaluru, Saharanpur and Mysuru receive the AWS Platinum Certification.

ITC's Kidderpore factory wins 2 national-level awards - "National Energy Leader" and "Excellent Energy Efficient Unit", at the CII National Award for Excellent in Energy Management 2023".

ITC PSPD's Filo Pack receives the prestigious Flustix Plastic-Free certification.

ITC's Agri Business ranks first at the FICCI Sustainable Agriculture Awards 2023 for Natural Resource Management and Climate-Resilient Agriculture.

ITC wins the first UNDP-Mahatma Biodiversity award for its "Human Centric Approaches to Biodiversity with intensive community engagement".

ITC PSPD wins the Asia-Pacific Sustainability Award at the IDC Future Enterprise Awards 2023.

ITC PSPD's Unit Bhadrachalam receives GreenCo Platinum + rating from CII.

ITC's factories in Pune and Bengaluru achieve NSCI's 'Five Golden Stars Rating' for safety performance and 'Safety Shield' for OHS management.
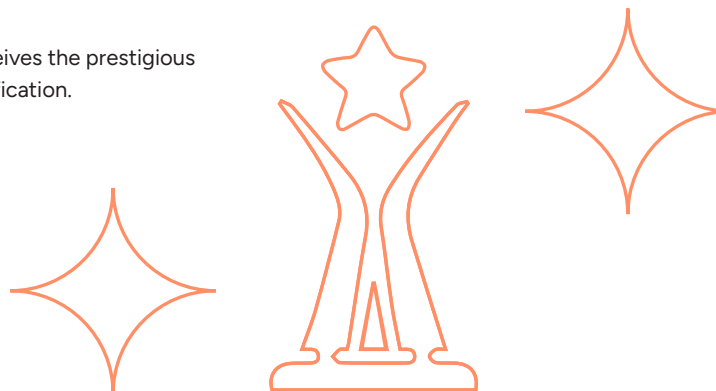
Major Awards Over the years

ITC's Sankhya in Bengaluru became the World's First Data Centre to be LEED® Zero Carbon certified.

ITC featured among the top 3 at the first-ever LinkedIn Talent Awards in the 'Best Employer Brand on LinkedIn' category.

ITC was awarded First Prize in the 'Best Industry for CSR Activities' category by the Ministry of Jal Shakti, Government of India, at the 3rd National Water Awards 2020

ITC conferred the 'CSR Excellence Award' in the Large category by the Institute of Company Secretaries of India (ICSI) at the 6th ICSI CSR Excellence Awards

ITC Chairman, Mr Sanjiv Puri conferred 'The IMPACT Person of the Year, 2020' Award by exchange4media, a leading online news platform

ITC Chairman, Mr Sanjiv Puri was conferred the Honorary Doctorate by the XIM University, Bhubaneswar.

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Independent Reasonable Assurance Report to the Directors of ITC Limited on the Greenhouse Gas (GHG) Inventory presented in the Sustainability Report 2024 of ITC Limited (the 'Company') for the period 1 April 2023 to 31 March 2024.

We ('KPMG Assurance and Consulting Services LLP', or 'KPMG') were engaged by the Board of Directors (Directors) of ITC Limited (the 'Company') to provide an independent reasonable assurance report on the Company's GHG Inventory as set out in Sustainability Report 2024 of the Company and the Annexure 1 (the "GHG Inventory") for the period from 1 April 2023 to 31 March 2024. The GHG Inventory has been prepared by the Company in accordance with the requirements of the A Corporate Accounting and Reporting Standards (revised edition) and Corporate Value Chain (Scope 3) Accounting and Reporting Standard developed by GHG Protocol initiative, a partnership between World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD). The Company has also referred to ISO 14064-1:2018 (Greenhouse gases- Part 1: Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals) for the preparation of the GHG inventory. The basis of preparation is set out in section "Quantification Methodologies" of the Sustainability Report 2024.

This engagement was conducted by a multidisciplinary team including assurance practitioners, engineers, and environmental experts.

Scope and reporting boundary

The scope of assurance covers direct (Scope 1) GHG emissions, energy indirect (Scope 2) GHG emissions, GHG removals from Farm and Social Forestry projects, and select categories of other indirect (Scope 3) GHG emissions (Upstream & Downstream transportation and distribution. Business Travel, Employee commute, Purchased goods and services) of the Company, for the period 1 April 2023 to 31 March 2024. The reporting boundary is defined in "About this report" section of the Sustainability Report 2024.

Company's responsibilities

The management of ITC Limited is responsible for properly preparing and presenting the GHG inventory that is free from material misstatement and is prepared in accordance with reporting criteria as defined above and for the information contained therein.

This responsibility includes designing, implementing, and maintaining internal control relevant to the preparation and presentation of the GHG inventory that is free from material misstatement, whether due to fraud or error. It also includes selecting and applying quantification methods, making judgements and estimates that are reasonable in the circumstances and maintaining adequate records in relation to the GHG inventory. Management is responsible for selecting or developing suitable criteria.

The management of the Company is also responsible for preventing and detecting fraud and for identifying and ensuring that the Company complies with laws and regulations applicable to its activities. The management of the Company is responsible for ensuring that the staff involved with the preparation and presentation of the GHG inventory are properly trained, systems are properly updated and that any changes in reporting encompass all business units and operational sites that are significant (by size or risk).

Our responsibilities

Our responsibility is to examine the GHG inventory prepared by the Company and to report thereon in the form of an independent reasonable assurance conclusion based on the procedures we have performed, and the evidence obtained. We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3410, *Assurance Engagements on Greenhouse Gas Statements* issued by the International Auditing and Assurance Standards Board. This standard requires that we plan and perform our procedures to obtain a meaningful level of assurance about whether the GHG inventory is properly prepared and presented, in all material respects, as the basis for our reasonable assurance conclusion.

The firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. We have complied with independence and other ethical requirements of the *International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants, (including International Independence Standards)* (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behaviour.

A reasonable assurance engagement involves assessing the risks of material misstatement of the GHG inventory, whether due to fraud or error, responding to the assessed risks as necessary in the circumstances of the engagement and evaluating the overall presentation of the GHG inventory. The nature, timing and extent of procedures selected depend on our understanding of the GHG inventory and other engagement circumstances, and our consideration of areas where material misstatements of the GHG inventory are likely to arise.

In developing our understanding of the GHG inventory and other engagement circumstances, we have considered the process used to prepare the GHG inventory in order to design assurance procedures that are appropriate in the circumstances, but not for the purposes of expressing a conclusion as to the effectiveness of the Company's internal control over the preparation and presentation of the GHG inventory.

Our engagement also included:

- assessing the appropriateness of GHG inventory components;

- the suitability in the circumstances of the engagement of the reporting criteria applied by the Company (as explained in section above) as the basis for preparing the GHG inventory;

- evaluating the appropriateness of the quantification methods, reporting policies and procedures, and models used in the preparation of the GHG inventory and the reasonableness of estimates made by the Company, and evaluating the overall presentation of the GHG inventory.

The procedures we performed were based on our professional judgement and included inquiries, observation of processes performed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies and agreeing or reconciling with underlying records.

Given the circumstances of the engagement, in performing the procedures listed above we:

- Through inquiries, obtained an understanding of the internal control environment and information systems relevant to emissions quantification and reporting.

- Evaluated whether the methods for developing estimates are appropriate and had been consistently applied.

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- Undertook site visits at 20 operational locations (Integrated Consumer Goods Manufacturing and Logistics (ICML) Uluberia; ICML Pudukkottai; ICML Kapurthala; ICML Malur; ICML Mysore; ICML Guwahati; Agri-Business Division (ABD) Chirala; ABD Anaparti; ITC Royal Bengal; ITC Sonar; ITC Grand Chola; ITC Grand Bharat; Paperboards and Specialty Papers Division (PSPD) Tribeni; PSPD Kovai; PSPD Bhadrachalam; Personal Care Products Business Division (PCPBD) Guwahati; India Tobacco Division (ITD) Kidderpore; ITD Saharanpur; ITD Bangalore; Packaging and Printing Business (PPB) Tiruvottiyur) and Social and Farm Forestry initiatives at Bhadrachalam, to assess the completeness of the emissions sources, data collection methods, source data and relevant assumptions applicable to the sites. The sites selected for testing were chosen taking into consideration their emissions in relation to total emissions and emissions sources. Our procedures did not include testing information systems to collect and aggregate facility data, or the controls at these sites.

Characteristics and limitations of the GHG inventory

GHG quantification is subject to significant inherent uncertainty because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases. Greenhouse gas quantification is unavoidably subject to significant inherent uncertainty as a result of both scientific and estimation uncertainty. Obtaining sufficient appropriate evidence to support our opinion/conclusion does not reduce the uncertainty in the amounts and metrics.

The scope 3 emission categories are limited to – upstream transportation and distribution, downstream transportation and distribution, business travel, employee commute, and purchased goods and services – are included in this category as per GHG protocol.

Opinion

Our opinion has been formed on the basis of, and is subject to, the matters outlined in this report.

We believe that the procedures we have performed and the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

In our opinion, the GHG emissions inventory for the period 1 April 2023 to 31 March 2024, subject to reasonable assurance is prepared, in all material respects, in accordance to the GHG Protocol Corporate Accounting and Reporting standard (revised) and Corporate Value Chain (Scope 3) Accounting and Reporting Standard developed by the GHG Protocol Initiative, a partnership between World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD). The basis of preparation of GHG Inventory is set out in Quantification Methodologies section of the Sustainability Report 2024.

Other information

We had performed:

- A reasonable assurance engagement on BRSR Core attributes and issued an independent assurance report on 15 June 2024.
- A reasonable assurance engagement on select GRI Standards 2021 disclosures and issued an independent assurance report on 25 June 2024.

Our reports thereon is included with the other information.

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Management and the Board of Directors are responsible for the other information. Other information comprises the information included in the Company's Sustainability Report and Annual Report (but does not include the BRSR core attributes and select GRI disclosures and assurance report thereon).

Our reasonable assurance opinion on the Identified Sustainability Information does not extend to other information that accompanies or contains the 'Identified Sustainability Information and our assurance report'. We have read the other information in the Sustainability Report and Annual Report (BRSR), but we have not performed any procedures with respect to the other information.

Other matter

The GHG Inventory of the Company for the year ended 31 March 2023 was assured by the previous assurance practitioner who had expressed an unmodified opinion on 03 July 2023.

Our opinion is not modified in respect of this matter.

Intended use or purpose

The GHG inventory and our reasonable assurance report is intended for users who have reasonable knowledge of the greenhouse gases and related inventory, the reporting criteria and who have read the information in the Sustainability Report 2024 with reasonable diligence and understand that the GHG inventory is prepared and assured at appropriate levels of materiality.

Our opinion is not modified in respect of this matter.

Shivananda Shetty

Partner

KPMG Assurance and Consulting Services LLP

Date: 25 June 2024

Place: Mumbai

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Annexure I

	GHG emissions (tCO$_2$e)
Scope 1 GHG Emissions	1,146,088
Scope 2 (Market-based) GHG Emissions	241,959
Scope 2 (Location-based) GHG Emissions	262,236
Scope 3 GHG Emissions	
Upstream transportation and distribution (Inbound transportation of raw materials)	1,19,932
Downstream transportation and distribution (Outbound transportation of products and wastes)	1,11,720
Business Travel (Employees Business travel by employees of ITC by air) *	2,141
Employee Commute (Employee commuting primarily through buses at Plant locations and Corporate Offices as applicable) *	5,903
Purchased Goods and Services	
(a) Emissions on account of energy consumption in supply chain (limited to 14 entities of third-party manufacturers (TPMs) catering to notebooks segment of the Educations and stationery Products and Business and Cigarette Business)	12,354
(b) Pick up and drop of Guests in hotels of ITC *	510
Biogenic Emissions	
Emissions from combustion of biomass within the Units	11,60,929
Emissions from production of purchased steam	19,917

Estimated GHG removals: 5,670,160 tCO$_2$ (through Social and Farm Forestry initiatives).

*The Company has represented that the calculations for these emissions categories are based on data of the year 2021-22 considering these are minor emission sources.

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Independent Practitioners' Reasonable Assurance Report

To the Directors of ITC Limited

Assurance report on select non-financial (sustainability) disclosures in the Sustainability Report 2024 of ITC Limited (the 'Company') for the period 1 April 2023 to 31 March 2024

Opinion

We have performed the reasonable assurance engagement on whether the Identified Sustainability Information (refer to Annexure 1) in the Sustainability Report of the Company, for the period 1 April 2023 to 31 March 2024 has been prepared in accordance with the reporting criteria (refer table below).

Identified Sustainability Information (ISI) subject to assurance	Period subject to assurance	Reporting criteria
Select GRI Disclosures (refer Annexure 1- Scope of Assurance) in the Sustainability Report 2024 of the Company	1 April 2023 to 31 March 2024	- *GRI Standards 2021* - *The GHG Protocol - A Corporate Accounting and Reporting Standard (revised edition)*

This engagement was conducted by a multidisciplinary team including assurance practitioners, engineers, and environmental and social professionals.

In our opinion, the Company's Identified Sustainability Information for the period 1 April 2023 to 31 March 2024, subject to reasonable assurance is prepared, in all material respects, in accordance with the GRI Standards 2021 and basis of preparation set out in 'About this Report' section of the Sustainability Report 2024.

Basis for opinion

We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* issued by the International Auditing and Assurance Standards Board (IAASB). Our responsibilities under those standards are further described in the "Our responsibilities" section of our report.

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA).

Our firm applies International Standard on Quality Management (ISQM) 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, issued by the IAASB. This standard requires the firm to design, implement and operate a system of quality management, including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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Other information

Management and the Board of Directors are responsible for the other information. Other information comprises the information included in the Company's Sustainability Report and Annual Report (but does not include the BRSR core attributes and select GRI disclosures and assurance report thereon). Additionally, we have performed a reasonable assurance engagement on BRSR Core attributes and issued an independent assurance report on 15 June 2024.

Our report thereon is included with the other information.

Our reasonable assurance opinion on the Identified Sustainability Information does not extend to other information that accompanies or contains the 'Identified Sustainability Information and our assurance report'. We have read the other information in the Sustainability Report and Annual Report (BRSR), but we have not performed any procedures with respect to the other information.

Other matter

Select GRI Standards disclosures of the Company for the year ended 31 March 2023 were assured by the previous assurance practitioner who has expressed an unmodified opinion on 03 July 2023.
Our reasonable assurance opinion does not cover internal criteria developed for determining Company's positive status in carbon, water, and solid waste recycling (The Carbon Positive status is based on improvements in specific energy consumption, investments in renewable energy, and the sequestration of carbon dioxide through Social and Farm Forestry initiatives. The Water Positive status is based on implementing measures to reduce net water consumption within the Company's operations and creating rainwater harvesting potential both within and outside the Company's premises. The Solid Waste Recycling Positive status is based on the reduction of specific waste generation, contribution to waste recycling, and the use of post-consumer waste as raw material).

Our opinion is not modified in respect of these matters.

Intended use or purpose

The ISI and our reasonable assurance report are intended for users who have reasonable knowledge of the GRI Standards, the reporting criteria and ISI and who have read the information in the ISI with reasonable diligence and understand that the ISI is prepared and assured at appropriate levels of materiality.

Our opinion is not modified in respect of this matter.

Responsibilities for the identified Sustainability Information (ISI)

The management of the Company acknowledges and understand their responsibility for:

- designing, implementing and maintaining internal controls relevant to the preparation of the ISI that is free from material misstatement, whether due to fraud or error;

- selecting or establishing suitable criteria for preparing the ISI, taking into account applicable laws and regulations, if any, related to reporting on the ISI, identification of key aspects, engagement with stakeholders, content, preparation and presentation of the ISI in accordance with the reporting criteria;

- disclosure of the applicable criteria used for preparation of the ISI in the relevant report/statement;

- preparing/properly calculating the ISI in accordance with the reporting criteria;

- ensuring the reporting criteria is available for the intended users with relevant explanation;

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- establishing targets, goals and other performance measures, and implementing actions to achieve such targets, goals and performance measures
- responsible for providing the details of the management personnel who takes ownership of the ISI disclosed in the report;
- ensuring compliance with law, regulation or applicable contracts;
- making judgments and estimates that are reasonable in the circumstances;
- identifying and describing any inherent limitations in the measurement or evaluation of information subject to assurance in accordance with the reporting criteria;
- preventing and detecting fraud;
- selecting the content of the ISI, including identifying and engaging with intended users to understand their information needs;
- informing us of other information that will be included with the ISI; and
- supervision of other staff involved in the preparation of the ISI.

Those charged with governance are responsible for overseeing the reporting process for the Company's ISI.

Inherent limitations in preparing the ISI

The preparation of the Company's Sustainability Report information requires the management to establish or interpret the criteria, make determinations about the relevancy of information to be included, and make estimates and assumptions that affect the reported information.

Measurement of certain amounts and certain GRI indicators, some of which are estimates, is subject to substantial inherent measurement uncertainty, for example, GHG emissions, water footprint, energy footprint. Obtaining sufficient appropriate evidence to support our opinion/conclusion does not reduce the uncertainty in the amounts and metrics.

Our responsibilities

We are responsible for:

- Planning and performing the engagement to obtain reasonable assurance on the sustainability disclosures in the Sustainability Report are free from material misstatement, whether due to fraud or error, in accordance with the Reporting Criteria in line with the section above.
- Forming an independent opinion, based on the procedures we have performed and the evidence we have obtained, and
- Reporting our reasonable assurance opinion to the Directors of ITC Limited.

Exclusions

Our assurance scope excludes the following and therefore we will not express a conclusion on the same:

- Operations of the Company other than those mentioned in the "Scope of Assurance".
- Aspects of the Sustainability Report and the data/information (qualitative or quantitative) other than the ISI.
- Data and information outside the defined reporting period i.e., from 1 April 2023 to 31 March 2024.

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- The statements that describe expression of opinion, belief, aspiration, expectation, aim, or future intentions provided by the Company.

Summary of the work we performed as the basis for our conclusion

We exercised professional judgement and maintained professional skepticism throughout the engagement. We designed and performed our procedures to obtain evidence that is sufficient and appropriate to provide a basis for our reasonable assurance opinion. The nature, timing, and extent of the procedures selected depended on our judgement, including an assessment of the risks of material misstatement of the information subject to reasonable assurance, whether due to fraud or error. We identified and assessed the risks of material misstatement through understanding the information subject to reasonable assurance and the engagement circumstances. We also obtained an understanding of the internal control relevant to the information subject to reasonable assurance in order to design procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of internal controls.

In carrying out our engagement, we:

- assessed the suitability of the criteria used by the Company in preparing the reasonable assurance information;
- evaluated the appropriateness of reporting policies, quantification methods and models used in the preparation of the information subject to reasonable assurance and the reasonableness of estimates made by the Company;
- performing substantive testing of data related to ISI, limited to 20 operational locations (Integrated Consumer Goods Manufacturing and Logistics (ICML) Uluberia; ICML Pudukkottai; ICML Kapurthala; ICML Malur; ICML Mysore; ICML Guwahati; Agri-Business Division (ABD) Chirala; ABD Anaparti; ITC Royal Bengal; ITC Sonar; ITC Grand Chola; ITC Grand Bharat; Paperboards and Specialty Papers Division (PSPD) Tribeni; PSPD Kovai; PSPD Bhadrachalam; Personal Care Products Business Division (PCPBD) Guwahati; India Tobacco Division (ITD) Kidderpore; ITD Saharanpur; ITD Bangalore; Packaging and Printing Business (PPB) Tiruvottiyur) and 6 CSR locations (Saharanpur, Uttar Pradesh; Kidderpore, West Bengal; Bengaluru, Karnataka; Sehore, Madhya Pradesh; Munger, Bihar; and Bhadrachalam, Telangana) of the Company; and
- evaluated the overall presentation of the information subject to reasonable assurance.

Shivananda Shetty
Partner

KPMG Assurance and Consulting Services LLP

Date: 25-June-2024

Place: Mumbai

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Annexure 1

GRI Standards 2021 disclosures (Identified Sustainability Information)

Reference	Disclosures	Type of Assurance
2-2	Entities included in the organization's sustainability reporting	Reasonable
2-3	Reporting period, frequency and contact point	Reasonable
2-4	Restatements of information	Reasonable
2-6	Activities, value chain and other business relationships	Reasonable
2-7	Employees	Reasonable
2-8	Workers who are not employees	Reasonable
2-9	Governance structure and composition	Reasonable
2-10	Nomination and selection of the highest governance body	Reasonable
2-11	Chair of the highest governance body	Reasonable
2-12	Role of the highest governance body in overseeing the management of impacts	Reasonable
2-13	Delegation of responsibility for managing impacts	Reasonable
2-14	Role of the highest governance body in sustainability reporting	Reasonable
2-15	Conflicts of interest	Reasonable
2-16	Communication of critical concerns	Reasonable
2-17	Collective knowledge of the highest governance body	Reasonable
2-26	Mechanisms for seeking advice and raising concerns	Reasonable
2-29	Approach to stakeholder engagement	Reasonable
2-30	Collective bargaining agreements	Reasonable
3-1	Process to determine material topics	Reasonable
3-2	List of material topics	Reasonable
3-3	Management of material topics	Reasonable
301-1	Materials used by weight or volume	Reasonable
302-1	Energy consumption within the organisation	Reasonable
302-3	Energy intensity	Reasonable
302-4	Reduction of energy consumption	Reasonable
303-3	Water withdrawal	Reasonable
303-4	Water discharge	Reasonable
303-5	Water consumption[1]	Reasonable
305-1	Direct (Scope 1) GHG emissions[2]	Reasonable
305-2	Energy indirect (Scope 2) GHG emissions[2]	Reasonable
305-3	Energy indirect (Scope 3) GHG emissions	Reasonable
305-6	Emissions of ozone-depleting substances (ODS)	Reasonable
305-7	Nitrogen oxides (NO_X), sulphur oxides (SO_X), and other significant air emissions	Reasonable
306-3	Waste generated[3]	Reasonable
306-4	Waste diverted from disposal[3]	Reasonable
306-5	Waste directed to disposal[3]	Reasonable

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Reference	Disclosures	Type of Assurance
401-1	New employee hires and employee turnover	Reasonable
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Reasonable
401-3	Parental leave	Reasonable
403-9	Work-related injuries	Reasonable
404-1	Average hours of training per year per employee	Reasonable
413-1	Operations with local community engagement, impact assessments, and development programs	Reasonable
417-1	Requirements for product and service information and labelling	Reasonable
417-2	Incidents of non-compliance concerning product and service information and labelling	Reasonable
417-3	Incidents of non-compliance concerning marketing communications	Reasonable

[1] Our reasonable assurance opinion does not cover internal criteria developed for determining the Company's water positive status. The Water Positive status is based on implementing measures to reduce net water consumption within the Company's operations and creating rainwater harvesting potential both within and outside the Company's premises.

[2] Our reasonable assurance opinion does not cover internal criteria developed for determining the Company's carbon positive status. The Carbon Positive status is based on improvements in specific energy consumption, investments in renewable energy, and the sequestration of carbon dioxide through Social and Farm Forestry initiatives.

[3] Our reasonable assurance opinion does not cover internal criteria developed for determining the Company's positive status in solid waste recycling. The Solid Waste Recycling Positive status is based on the reduction of specific waste generation, contribution to waste recycling, and the use of post-consumer waste as raw material.

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Independent Assurance Statement on ITC Limited's Plastic Neutrality Report for the financial year 2022-23.

Introduction and objective of engagement

BDO India LLP was engaged by ITC Limited (the 'Company') to provide independent assurance to the information contained in the Plastic Neutrality Report (the 'Report') for the financial year 2022-23.

Respective responsibilities

The Report is the sole responsibility of the management of ITC Limited. The Company management is also responsible for the design, implementation, and maintenance of internal controls relevant to the preparation of the Plastic Neutrality Report, so that it is free from material misstatement, whether due to fraud or error.

Responsibility of BDO India LLP, as agreed with the management of ITC Limited, is to provide assurance on the 'Plastic Neutrality Report' as described in the assurance standard and assurance scope given below. We do not accept or assume any responsibility for any other purpose or to any other person or organization. Any reliance a third party may place on the Report is entirely at its own risk.

Assurance standard

The assurance process was conducted in line with the requirements of the AA1000 AS v3 (2020) Type 2 assurance[1]. We applied a moderate[2] level of assurance criteria.

Scope of assurance and methodology

The scope of assurance engagement was limited to review of plastic waste generation and collection quantities as mentioned in Plastic Neutrality Report for FY 2022-23 covering ITC businesses including India Tobacco Division (ITD), Branded Packaged Foods Businesses (FBD), Education and Stationery Products Business (ESPB), Personal Care Products Business Division (PCPBD), Incense Sticks (Agarbatti) & Safety Matches (MAB), Agri Business Division (ABD). The boundary of our assurance was for data and information for the period 1st April 2022 to 31st March 2023.

Our assurance processes involved performing procedures to obtain evidence about the reliability of specified information. The nature, timing and extent of procedures selected were based on our professional judgement, including the assessment of the risks of material misstatement of the indicators. The steps are outlined below:

- Assessment of Plastic Neutrality Report, specifically plastic waste generation & collection quantities;
- Verification of systems and procedures used for collection, interpretation of above data and management systems related to the same;
- Review of appropriateness of various assumptions, estimations and used for data analysis;
- Discussions with the key personnel, responsible for data compilation and analysis;
- Below mentioned businesses & collection partners were chosen on the basis of their state-wise generation & collection contribution. Verification of data, on sample basis, through virtual platforms (using web-enabled tools) was performed for:
  - Two businesses of ITC Limited namely: (i) Branded Packaged Foods Businesses (FBD), and (ii) Incense Sticks (Agarbatti) & Safety Matches (MAB);
  - Three plastic waste collection partners.

We reviewed suitable documentary evidence to substantiate our findings regarding the information and verification of data, and retained relevant documentation, wherever permitted. However, for data analytics and coded sheets related to SAP, documentary evidence presented to us could not be retained due to confidentiality constraints indicated by ITC Limited; for such, we recorded our observations subsequent to reviewing such evidence.

[1] Type 2 Assurance: an engagement in which the assurance provider gives findings and conclusions on the principles of Inclusivity, Materiality, Impact and Responsiveness, and verifies the reliability of specified sustainability performance information AA1000ASv3 (2020) Standard.
[2] A moderate level of assurance as per AA1000AS v3 (2020) Standard is commensurate with "limited" assurance as defined in the International Standard on Assurance Engagements (ISAE) 3000

Limitations of our engagement

We conducted our review to express a moderate assurance conclusion. A moderate level assurance engagement relies on a risk-based sample chosen from the selected information and the associated limitations that this entails. Our review was limited to the chosen samples mentioned in the 'Scope of assurance and methodology' section.

Audit trails and reviews were conducted through virtual discussions and gathering of evidence was done on sample basis.

Data and information outside the defined reporting period, i.e., 1st April 2022 to 31st March 2023 and those not mentioned in the section assurance scope, are explicitly excluded from our assurance scope.

Our assurance team and independence

BDO India LLP is a professional services firm providing services in Advisory, Assurance, Tax and Business Services, to both domestic and international organisations across industry sectors. Our assurance team for this engagement is drawn from a dedicated Sustainability and ESG Team in the organisation. This team comprises of multidisciplinary professionals, with expertise across the domains of global sustainability reporting and assurance standards and principles. This team has extensive experience in conducting independent assurance of sustainability/ESG data, systems and processes across sectors and geographies. As an assurance provider, BDO India LLP is required to comply with the independence requirements set out in International Federation of Accountants (IFAC) Code of Ethics for Professional Accountants. Our independence policies and procedures ensure compliance with the Code.

Our observations

The plastic waste generation and collection quantities for the financial year 2022-23 were observed to be:

Plastic Waste Generation (MT)	Plastic Waste Collection (MT)
56,789.40	60,159.90

- We noted that the disclosures and data as defined under the scope of assurance have been fairly presented in the Report.
- The systems and processes deployed by ITC Limited for estimating plastic waste generation and collection were noted to be consistent.
- The Company has made efforts towards consistency of data presented in the Report and generation and collection quantities are fairly reliable.

Our conclusion

Based on the procedure performed nothing has come to our attention that causes us to believe that Company's Plastic Waste generation and collection claim as mentioned in the Report is not aligned with the principles of Inclusiveness, Materiality, Responsiveness, and Impact of the Assurance Standard.

For BDO India LLP

Indra Guha
Partner | Sustainability & ESG
Business Advisory Services

Gurugram, Haryana
14 April 2024

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